FBIS DAILY REPORT

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MARCH FOR PEACE STALLS AS AREA GOVERNMENTS BALK

El Salvador Refuses Entry

PA030446 San Salvador EL MUNDO in Spanish 31 Dec 85 p 17

[Text] The representatives of the March for Peace in Central America have been advised officially that their entry into El Salvador has been refused and that the Immigration General Directorate and Security Corps have received orders to refuse them entry. This was announced today by Salvadoran Foreign Minister Rodolfo Antonio Castillo Claramount. The foreign minister said that the marchers have been refused permission to enter El Salvador because the country cannot allow a group of people to come in and cause destabilization. They, the peace marchers, do not seek peace, they seek to provoke confrontations, and this is something that we will not allow, he said. Castillo Claramount recalled what happened in Costa Rica recently when a political group, described as rightist, created disorders and attacked the marchers. We do not want this to happen here, the foreign minister added.

Yesterday the marchers attended mass at the Nicaraguan-Honduran border. The Honduran Government has refused the marchers permission to cross through Honduras. The Honduran Government claims that the marchers would provoke destabilization. However, the leaders of the march said that the Honduran president had already granted them permission to enter the country. The March for Peace in Central America began in Panama and crossed into Costa Rica, where it faced problems when it was attacked by rightists and the Costa Rican Government asked them to leave the country. When they crossed into Nicaragua they were greeted as heroes. They have remained in Nicaragua. Earlier the marchers said that if El Salvador refused them permission to enter the country they would fly to Guatemala and continue their march. According to the marchers, Guatemala has authorized their entry.

Marchers Return to Managua

PA052054 Managua Radio Sandino in Spanish 1300 GMT 5 Jan 86

[Text] The members of the March for Peace in Central America returned to this capital yesterday after several fruitless attempts to enter Honduran territory. They have not been discouraged from their decision to continue with their pacifist mission. The organizer of the march, Rev Blais Bonpabe, commented on this situation, saying: We have not lost the war. We will go on with our peaceful march.

The pacifists spent 6 days at the Honduran customs post of La Fraternidad, trying in vain to enter Honduras. They were threatened by 2 tanks and 20 Honduran Cobra soldiers, who told them to desist from their efforts to enter that territory. On arrival in Managua yesterday, the marchers went to the Ruben Dario University, where they are now resting and planning the new steps they will take to continue with their peaceful mission.

FOREIGN MINISTRY DENIES FRIGATE SALE TO LIBYA

PY052315 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1750 GMT 5 Jan 86

[Text] Buenos Aires, 5 Jan (NA) -- The Foreign Ministry has "categorically" denied French television reports that Argentina has sold Libya two British-made missile-carrying frigates.

The newspaper CLARIN reported that the denial was made by the Foreign Ministry's spokesman, Albino Gomez, who said that "the French television reports are untrue." Sources connected with the Navy Joint Staff said that they "lack knowledge" about the question.

Allegedly, the operation involved the frigates Hercules and Santisima Trinidad, two of the most modern units of the Argentine Navy, re-equipped with Exocet missiles. These two ships have been mentioned on several occasions as having been sold to other countries under the military expenditures austerity plan adopted by the Alfonsin government.

The French report named Belgian Baron Edouard Jean Empain and the French Government, specifically former Defense Minister Charles Hernu, as the operation's middlemen.

DEPUTY WARNS OF BRAZILIAN TROOP DEPLOYMENT

PY030241 Buenos Aires DYN in Spanish 2325 GMT 2 Jan 86

[Text] Buenos Aires, 2 Jan (DYN) -- Federal Justicialist Deputy Torcuato Fino today (?asked) that the Chamber of Deputies hold an "urgent" special session to question Defense Minister Roque Carranza on an alleged deployment of Brazilian troops in areas close to the Argentine border. Fino, who believes it is "essential" to question the defense minister, has based his request on a report published by the FOLHA DE SAO PAULO newspaper and reproduced by TIEMPO ARGENTINO, a Buenos Aires morning newspaper. The report says that Brazil has "deployed its most powerful forces" in an area bordering Misiones province.

Torcuato Fino, who belongs to the "Unity" bloc that is aligned with the 62 Organizations, formalized his request through a draft resolution submitted today to the Chamber of Deputies. The resolution states that the Brazilian troops belong to the "armored infantry," and they are supported by "tanks and helicopters."

The Peronist deputy considers that the deployment of the troops entails "an ostentatious use of force that breaks the region's balance of power and therefore poses serious risks to Argentina's integrity and territorial security." He also warns that the report "has not yet been denied." In his draft resolution, Fino says that if the press reports are confirmed, he will preemptorily demand that the Argentine Government "urgently adopt defensive and security measures for properly protecting the national territory and for safeguarding the interests of our country."

DESTABILIZATION REPORTEDLY BLAMED ON STROESSNER

PY030219 Montevideo Radio Carve in Spanish 0000 GMT 3 Jan 86

[Text] According to a report datelined Caracas, the Argentine Government has learned that the recent destabilizing actions perpetrated in Argentina were prepared in the Paraguayan capital. The report adds that this is the reason Argentine President Raul Alfonsin has not yet agreed to meet with General Alfredo Stroessner, who has ruled Paraguay for 30 years.

The report is contained in an article published today by the Caracas newspaper EL NACIONAL and written by its Buenos Aires correspondent, Rogelio Garcia Lupo. Garcia Lupo adds: President Alfonsin has serious reasons for distancing himself from Stroessner because the Argentine intelligence services have evidence that the Paraguayan capital is the center for all anti-Alfonsin actions. Some attacks on Argentine officers were also planned in Asuncion.

ALFONSIN STRESSES IMPORTANCE OF ANTARCTIC MISSION

PY031252 Buenos Aires TELAM in Spanish 1507 GMT 2 Jan 86

[Excerpt] Buenos Aires, 2 Jan (TELAM) -- After attending the ceremony marking the launching of the Navy icebreaker Almirante Irizar and the beginning of the Antarctic summer campaign, President Raul Alfonsin today stressed the importance of the continuous quest for the fulfillment of the great national objectives.

During a brief chat with reporters, Alfonsin stated that the expedition that begins today shows the importance of the Argentine presence in the Antarctic and of the continuous quest for the achievement of national objectives. The president added that we Argentines have been inconsistent in certain things, but as far as the Antarctic is concerned, we have managed to be consistent; this should be a matter of pride.

Alfonsin arrived at 0957 at Dock A of Puerto Nuevo where the ice breaker is anchored. He was accompanied by Defense Minister Roque Carranza. He was welcomed by the ship's commander, Captain Norberto Varela, Antarctic National Director Juan Sola, Army Chief of Staff General Hector Rios Erenu, and Navy Chief of Staff Vice Admiral Ramon Arosa. After the greetings, Alfonsin stepped to the platform in front of the ship and greeted the joint Antarctic group. The officers and men on board and on the dock returned the greeting.

Afterwards, Sola made a brief speech in which he stated that the Argentine Republic once again assumes the responsibility at this ceremony of maintaining its Antarctic mission, and recalled the activities conducted in the sector during the 1950s, which were climaxed with an overland expedition to the South Pole. He added that Argentina thus joins the development of technical and scientific research in the south, with the personnel installed today to join this campaign. He highlighted the optimism that exists regarding Argentina's future in the Antarctic Continent, and he stated that the Antarctic is a challenge for those who are participating now. They will be the men of the 21st century who will meet the challenge.

CARRANZA MINIMIZES VERNON WALTERS' REMARKS

PY031307 Buenos Aires DYN in Spanish 1137 GMT 2 Jan 86

[Text] Mar del Plata, 2 Jan (DYN) -- Defense Minister Roque Carranza has stated that there is no evidence of guerrilla activity in Argentina and added that the Armed Forces "will continue respecting the constitutional order."

"We are not aware of any clandestine activity," he stated, referring to remarks by U.S. representative to the OAS [as received] Vernon Walters on a presumed resurgence of the Montoneros and Tupamaros. In an interview with the local radio station LU 6, Carranza said that Walters' remarks "represent a personal opinion; I do not know the basis for that opinion."

Regarding the Armed Forces, he stated that they continue respecting the constitutional order, and their role will be reduced to the "specific task of defending the sovereignty and the constitutional order." He added that "there are no new tasks" for the military. He said that the national government will continue making efforts "to bury periods of pain, decline, and authoritarianism, because it is building the future."

Regarding the sentences given to former commanders accused of violating human rights and Point 30 of the Federal Appellate Court ruling, he said that the Armed Forces Supreme Council "is the first-instance court."

He added that the military reform that began last year will continue, that the military budget for 1986 will be similar to that of 1985, and that the number of officers who have requested retirement because of low salaries has not increased.

ALFONSIN APPROVES PROPOSED MILITARY PROMOTIONS

PY041153 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2345 GMT 3 Jan 86

[Text] Buenos Aires, 3 Jan (NA) -- A high-ranking Defense Ministry source reported today that President Raul Alfonsin has already signed the decree authorizing officer promotions proposed by the Armed Forces chiefs of staff.

These promotions will benefit Major Jorge Granada and Captain Leopoldo Cao, both included in the decree that ordered the prosecution of 12 persons presumably involved in a public disturbance campaign. The source consulted by NOTICIAS ARGENTINAS stated that "provided that Granada and Cao are facing no pending trial, they are qualified to continue their military careers." Thus, Granada will joint the V Corps headquarters in Bahia Blanca with the rank of lieutenant colonel, while Cao, now promoted to major, will be transferred to the II Corps in Rosario.

The promotions approved by President Alfonsin in the three branches affect ranks up to lieutenant colonel in the Army and Air Force, and frigate captain in the Navy. The promotion lists had been submitted to the Defense Ministry by the chiefs of the three branches on orders of their respective qualification boards, which ended their work in mid-December 1985.

According to military sources, Army Commander General Hector Rios Erenu told Defense Ministry sources that both Granada and Cao were legally qualified for promotion. Judging by what has been officially confirmed, this opinion was finally accepted by the executive branch, which ordered the promotion of the two officers.

'COFFEE BRIGADE' TO GO TO NICARAGUA FOR HARVEST

PY312257 Buenos Aires TELAM in Spanish 0258 GMT 31 Dec 85

[Text] Buenos Aires, 30 Dec (TELAM) -- To show support for the Sandinist Government, a second contingent of the "coffee brigade," made up of members of the [word indistinct] will work in Nicaragua during the coffee harvest. The brigade will leave on 3 January.

The contingent, identified as General San Martin brigade, has also undertaken other actions in the country, the [words indistinct] during the floods that affected vast areas in Buenos Aires province. The brigade members will depart from Ezeiza International Aiport at 1530.

MINISTRY DENIES ARGENTINE MEDIATION REPORT

PY031735 Santiago Domestic Service in Spanish 1646 GMT 3 Jan 86

[Text] The Foreign Ministry and the Argentine Embassy have categorically denied that a high-ranking Argentine official came to Chile to mediate between the government and opposition political sectors. This denial was in response to cables datelined Buenos Aires, which were published by the Argentine newspaper CLARIN. Acting Foreign Ministry spokesman Ambassador Juan Larrain has stated that the report is untrue, and the Foreign Ministry has no information in this regard.

In the meantime, the Argentine Embassy press office stated that no Argentine representative has come to Chile to mediate between the government and opposition political sectors.

The Foreign Ministry spokesman also stated that seven Spanish legislators of various political persuasions will visit Chile in mid-January. They will meet with Foreign Minister Jaime del Valle and other government officials to learn about the true Chilean situation.

In addition, a visit by a Brazilian delegation for the same purposes is expected in the next few days.

Acting Foreign Ministry spokesman Juan Larrain said that U.S. Congressman John McCain had visited the country for a private visit; McCain asked to meet with the president of the republic and Admiral Merino. Larrain stated that in both meetings general matters were discussed.

GOVERNMENT OPPOSES CHANGES IN ANTARCTIC TREATY

PY041840 Madrid EFE in Spanish 1510 GMT 4 Jan 86

[Text] Santiago, 4 Jan (EFE) -- Defense Minister Vice Admiral Patricio Carvajal has said it would be "highly unsuitable" to internationalize Antarctica, as suggested by some African countries at the United Nations. Minister Carvajal said that Chile favors maintaining the Antarctic Treaty and categorically opposes any attempt to modify it for the purpose of declaring that continent a "common heritage of mankind."

Carvajal said the question will be studied on 7 January by the Antarctic Commission, comprised of Chilean defense, foreign, and finance ministers.

PINOCHET SEEKS TO AMEND WEAPONS CONTROL LAW

PY032106 Madrid EFE in Spanish 0023 GMT 3 Jan 86

[Text] Santiago, 2 Jan (EFE) -- Chileans will no longer be able to have or manufacture missiles, rockets, lethal gases, or any other type of weapon, be it simple or complex, in their homes.

This is included in a proposal that General Augusto Pinochet, head of the Chilean military regime, sent to the Government Junta (legislative branch) to amend the law on weapons control. Under this amendment, the materiel used by the Armed Forces, especially those of a lethal or destructive nature, be they "conventional or self-propelled, missiles or rockets," are hereby controlled.

This measure also affects firearms regardless of their caliber, as well as ammunition and/or explosives of any type, together with their respective components. The prohibition also affects the installations that manufacture, mount, or store these elements and their raw materials.

Pinochet's proposal to amend the law on weapons control adds that no one will be able to own or keep any lethal asphyxial, poisonous, or paralytic gas bombs. The proposal ends by stating that any such materiel will be for the exclusive use of the Armed Forces. Until now, the law on weapons control had not been so specific regarding such prohibitions.

SEGUEL ANNOUNCES 1986 'LONG NATIONAL STRIKE'

PY042307 Madrid EFE in Spanish 1435 GMT 1 Jan 86

[Text] Santiago, 1 Jan (EFE) -- Chilean union leader Rodolfo Seguel has announced a long national strike as one of the priority tasks to be carried out in 1986. "We want to paralyze Chile to put an end to the dictatorship," Seguel said in an interview with ANALISIS.

Seguel, who is president of the National Workers Command, the main Chilean multi-union organization, added that "all the members of the Command support that position." He said: "Chile must be paralyzed, not just for 24 hours, but in such a way as to force the Armed Forces to talk and negotiate to seek a solution."

With regard to the calls for social mobilization made after the regime of General Augusto Pinochet definitively rejected the National Accord for the Transition to Full Democracy, Seguel said that "the time for words has passed. We have already lost too much time. This is the time for action."

The National Accord, signed in August 1985 by 11 rightist, centrist, and leftist parties, was rejected by Pinochet on 24 December 1985 during a meeting with Santiago Archbishop Cardinal Juan Francisco Fresno. Cardinal Fresno is the sponsor of this peaceful project to achieve democracy through negotiations between the government and the opposition.

1985 INFLATION RATE SET AT 26.4 PERCENT

PY041615 Paris AFP in Spanish 1928 GMT 3 Jan 86

[Text] Santiago, 3 Jan (AFP) -- The National Statistics Institute announced today that inflation in Chile reached 26.4 percent in 1985. This is slightly higher than the 25 percent forecast by government economists.

The inflation rate was 23 percent in 1984, when the decreasing inflation rate observed toward the end of the 1970's and the beginning of the 1980's was interrupted by price hikes. Inflation in Chile was only 9.5 percent in 1981, compared with the inflation rates of some previous years, which at times surpassed 500 percent (1974).

Price hikes of essential products and services used by Chileans are estimated for a total of 350 articles. According to official figures, food, electricity, water, and telephone services had the highest price increases during 1985. Moreover, for 1986 the Finance Ministry only expects moderate increases which will maintain inflation at the 1985 level.

FOREIGN MINISTER SENDS PROTEST NOTE TO NICARAGUA

PA041955 Bogota Emisoras Caracol Network in Spanish 1817 GMT 4 Jan 86

[By Juan Carlos Rincon]

[Text] Bogota -- Today Colombia officially asked Nicaragua for a prompt and satisfactory explanation of the presence of arms from that country in the attack on the Palace of Justice. "It is not easy for our government to understand that a friendly government could support terrorist actions," says a note that the Colombian foreign minister has sent to Nicaraguan Foreign Minister Miguel D'Escoto. The note describes the arms that were found after the Colombian Army recovered the palace. The arms belonged to the FSLN and to the former guard of General Anastasio Somoza.

The Colombian minister also asked for an explanation of the mass held in Managua's Santa Maria Church, which was attended by Interior Minister Tomas Borge. At that mass there was a homily praising the M-19 terrorists who attacked the palace. Foreign Minister Ramirez said the mass was not a religious ceremony but a public event, and the presence of Commander Tomas Borge could be interpreted as tacit support for the actions of the M-19. The demand for an explanation from the Nicaraguan Government came following an urgent call to the Colombian Ambassador in Managua, Abelardo Duarte Sotelo, for consultations on the situation.

The following is a text of the message that Foreign Minister Augusto Ramirez sent to Nicaraguan Foreign Minister Miguel D'Escoto:

Your Excellency, Mr Miguel D'Escoto B., foreign minister of Nicaragua, Managua.

Mr Minister, I am addressing Your Excellency to inform you about the following:

1. As you know, on 6 November 1985 the Palace of Justice in Bogota, was seized by the so-called M-19 [19 April Movement] in a typical terrorist action that was immediately condemned by the governments and peoples of the international community.

Once the Palace of Justice was rescued, the authorities found, among the arms that were used by the terrorists, the ones listed here:

A. Two Belgian-made FN FAL rifles, serial numbers 39260 and 39597, which were part of an arms cache that, according to some information, had been supplied to the FSLN in 1979 by the Venezuelan Government in office at that time, during the struggle the FSLN was waging against the forces defending the dictatorship of General Anastasio Somza.

These two rifles have been directly identified with that situation.

B. Two U.S.-made 5.56 mm M-16A1 assault rifles that were sold to the Nicaraguan Government in 1976 by the Colt Firearms Co. of Connecticut. One of these two rifles, with serial number 9199149, was part of a cache of 4,000 automatic weapons shipped by that company on 30 November 1976 to the Nicaraguan National Guard. The other one, serial number 9123659, belongs to a cache of 1,000 automatic rifles from the same company that was shipped on 2 November 1976 again to the Nicaraguan National Guard, all this according to the findings of the office of the Colombian military attache in the United States, findings that were certified by the Treasury Department [not further identified].

C. Six 5.56 mm Galil assault rifles, two of which have the markings EEBI, the acronym for the Infantry Basic Training School, which was a military school during General Somoza's regime.

2. The Colombian Government, with information and pictures published in some news media, is aware that on 10 November 1985 a mass was held in the Santa Maria de Los Angeles Church in Managua, and at that mass an M-19 flag was placed on the altar, while during the mass a person who had the approval of the priest saying the mass and his assistants, delivered a homily praising the terrorists who a few days before had seized the Palace of Justice and murdered many justices and other officials and people who were in the besieged building.

The case could be considered an incident [words indistinct] but the mass did not have the nature of a normal and common religious ceremony. It was a public event that was attended by Interior Minister Commander Tomas Borge, and his presence throughout the entire ceremony, in the circumstances that have been mentioned, could be interpreted as tacit support for the actions of this terrorist movement.

[Words indistinct] and the Colombian people, I have allowed myself to resort to you to request from the Nicaraguan Government a prompt and satisfactory explanation of the situation.

It will not be easy for my government to understand how a friendly government could support terrorist actions, especially at a moment when the international community, with Nicaragua's support, is insistently speaking out against such an abominable wrong.

As a recent example of this we could cite the resolution condemning terrorism adopted in December 1985 by the UN General Assembly, the UN Security Council, and the OAS; the declaration [words indistinct] in Luxembourg by the participants in the meeting of ministers from Europe, Contadora, and Central America.

In that declaration, which was signed, among others, by Your Excellency, we find the following paragraph: The ministers, aware of the grave terrorist action carried out in Colombia against the Supreme Court of Justice -- an action that resulted in the deaths of many Colombian justices and citizens -- regret this attack on one of the branches of the state, condemn terrorist actions that endanger innocent lives, and present our condolences to the Colombian people and to President Belisario Bentancur, who has bravely promoted a peace process to strengthen the political dialogue and democratic activities in this country.

Your excellency, please be sure of my highest and distinguished considerations.

Augusto Ramirez Ocampo, foreign minister of Colombia

BETANCUR INSPECTS VOLCANO AREA 4 JANUARY

PA041600 Paris AFP in Spanish 1517 GMT 4 Jan 86

[Excerpts] Bogota, 4 Jan (AFP) -- Today President Belisario Betancur inspected the area around the Nevado del Ruiz volcano. An evacuation of the area has been ordered because there is the possibility that the Arenas crater could erupt.

Betancur was accompanied by Defense Minister General Miguel Vega. The two travelled to the area in the provinces of Caldas and Tolima, which is near the volcano, in a Colombian Air Force helicopter.

Colombian Civil Defense has reported that at 0800 GMT today the volcano cast out an enormous amount of ashes. It noted that "in the area the smell of sulfur is intense." But as the people are being calmly evacuated, the flow of ashes being cast out has diminished considerably. Alert and security measures, however, are being maintained.

According to estimates, between 1,000 and 2,000 people will be evacuated from the towns of Honda, Guayabal, Ambalema, Mariquita, and Chinchina. According to reports from Mariquita and Guayabal, some 550 people have already been moved in an orderly fashion to higher lands.

The mayor of the lost town of Armero, Army Major Horacio Ruiz, has explained that "this is not a massive evacuation." Speaking from his office in Guayabal, the major said 150 persons from this town have been evacuated from lowlands.

The government, which has said the volcano could eventually erupt again, has noted that if an emergency does come up, there is plenty of time to complete the evacuation.

State of Alert Extended

PA060259 Madrid EFE in Spanish 0143 GMT 6 Jan 86

[Excerpts] Bogota, 5 Jan (EFE) -- Despite the fact that scientists have reported that the situation is normal, the state of alert for a new, possible eruption of the Nevado del Ruiz volcano in the center of Colombia will be extended another 48 hours.

The vulcanological studies committee, which keeps a permanent watch on the Arenas crater, the 13 November eruption of which killed 23,000 people, has said the state of emergency has not ended, although no thawing has occurred.

In their latest bulletin, scientists at Manizales, capital of Caldas Department, said: "The suspension of the state of maximum alert depends solely on the evolution of microseismic phenomena."

Official sources have reported that the state of alert will be extended for 48 hours on the banks of the Guali, Lagunilla, Azufrado, Recio, and Chinchina Rivers and in the villages of Mariquita, Guayabal, Chinchina, Villamaria, Casablanca, Honda, and Ambalema. The same sources reiterated that, in case of a new eruption or landslide, the alarm will be sounded with sirens so the residents can move to the nearest hills.

It has also been announced that U.S. experts Darryl Herd, John Tomblin, and Larry White, who stayed at the tragedy zone in November, will arrive in Manizales in a few hours. A Japanese mission that will set up new seismological equipment will also arrive shortly.

RICARDO FRANCO LEADER ADMITS 'PURGE' OF 'ENEMIES'

PA032237 Paris AFP in Spanish 1653 GMT 3 Jan 86

[Text] Bogota, 3 Jan (AFP) -- Javier Delgado, commander of the Revolutionary Armed Forces of Colombia (FARC) splinter group Ricardo Franco, today admitted that he had ordered the deaths of 134 subversives.

Delgado disclosed this in a document he clandestinely sent to several information media.

Delgado said he personally ordered the "execution" of 134 members of the Ricardo Franco Front after it was proven that they had infiltrated the group (members of the Army's Intelligence Service). [sentence as received]

Police authorities have revealed that they found 111 bodies in 35 common graves dug in the jungle areas of the municipalities of Tacueyo and Corinto, in the southeastern Cauca Department.

The preliminary investigations have established that the guerrillas wre beaten to death, strangled, and stabbed to death, and later buried by Delgado and some of his loyal followers in the common graves.

In his document, Delgado launched a violent attack against the leftist 19 April Movement (M-19) organization that on 6 and 7 November occupied the Justice Palace in Bogota , where 115 people were killed when the Army recovered the occupied palace.

After charging that the Ricardo Franco command spotted "a large military operation to infiltrate our ranks," Delgado said "134 enemy agents were caught, tried, and condemned to death on 12 December."

The guerrilla leader warned that the "purge" will only stop "once we have eliminated the last of the enemy within our ranks and in the ranks of all the revolutionary movement."

Delgado accused the M-19 of being "traitors" and reminded that "you must not forget whose generous hand (financially speaking) has protected you."

Delgado rejected the criticism made by M-19 of his "purge" and charged that they should "begin to worry about resolving their own very serious problems, like the homosexual problem that is affecting many of their leaders."

Delgado warned that "if M-19 does not change its attitude, we will not hesitate to have them expelled from the national guerrilla coordinating board, cut their financial aid completely, and isolate them from the revolutionary movement."

"Our hand did not tremble when we were eleminating the enemy infiltrated in our ranks, and it will not tremble when we carry our an exemplary punishment against the traitors," Delgado concluded.

TERAN ON FOREIGN POLICY, PRESIDENT'S U.S. VISIT

PA041829 Quito Voz de los Andes in Spanish 1401 GMT 1 Jan 86

["Summary of the 1985 News" program with Foreign Minister Edgar Teran Teran -- live or recorded]

[Text] [Moderator] Greetings to all our listeners. Welcome to this program "Summary of the 1985 News." Our first topic will be Ecuadoran foreign policy and our guest, Foreign Minister Edgar Teran Teran.

[Teran] The foreign policy, as directed by the president of the Republic, has been very fruitful in 1985. The basis of our foreign policy, aside from a general defense of the principles of international law and the moral principles of that policy, has been to recognize and fulfill commitments made, to act truthfully, to demand that human rights be respected regardless of the geographic location or political inclinations of the country, and to speak openly and honestly in our relations with other countries. In this way, this year Ecuador has achieved a very clear and precise international personality. All this is due to the policy outlined by the president of the Republic, a policy in which all the ministers have collaborated. One of the most obvious results of our foreign policy has been frequent and very fruitful international contacts. President Leon Febres Cordero traveled to Cuba and has exchanged experiences with Fidel Castro. He was very clear concerning freedom, the expression of thought, and the fact that countries do not need to have similar ideologies to have formal relations.

The president also unofficially visited the United States. Economically, this visit rendered great results. The most important result of this visit was renegotiation of the debt with the creditor governments and with what is called the Paris Club. Ecuador is the only country in the world that has been able to renegotiate its debt with other governments on a multi-yearly basis. The signing of the contract with the private banks (?will be done shortly).

The president also traveled to Brazil to celebrate the country's return to democracy after more than 20 years of dictatorship. He also visited countries ruled by centrist governments, social democratic governments, and has achieved not only positive economic results but also found similarities in the area of foreign policy.

President Leon Febres Cordero has also been absolutely clear and precise in his views on the Central American issue, the need for disarmament, [words indistinct] in Central America duly controlled, the need for peace, and respect for the rights of the peoples of Central America, including their right to self-determination and free elections without coercion. The president has been equally clear on the foreign debt. As our country expressed at the Cartagena meeting, the president believes that we must seek negotiated solutions among the creditor and debtor governments, multilateral credit organizations, and the international banks. All this must be done within a pragmatic and clear system that will allow the debtor country to survive and pay its debt and not survive to pay the debt.

All these positions have helped the Ecuadoran foreign policy and have given it [words indistinct] to the government. Today Ecuador is considered a country with clear ideas, that fulfills its commitments, has good relations with all the countries of the world, reacts with decorum when its dignity has been harmed, and is capable of breaking relations with Nicaragua because it has offended the dignity of the Ecuadoran Government and people yet at the same time can have [word indistinct] relations with all the countries of the world regardless of their ideologies or political inclinations.

[Unidentified speaker] Mr Minister, one of the theses reiterated by the national government is the all-out struggle against terrorism, drug trafficking, and strengthening of the inter-American institutions. To what extent have these Ecuadoran proposals been carried out internationally?

[Teran] In fact, Ecuador's position has been to consider terrorism and drug trafficking as crimes against mankind -- that is, crimes that threaten not only one or more specific persons, but mankind in general. The tragedy caused by a terrorist does not distinguish between an innocent child passing by a store where a bomb explodes or an invalid elder murdered and dropped from a ship or plane. Terrorism is truly a crime against mankind, such as drug trafficking, which corrupts consciences, moral integrity, and physical integrity itself, particularly among young people.

This stance of the Ecuadoran Government must be consistent: the battle against such scourges must be merciless and devoid of any weakness or consideration whereby a terrorist is granted a right denied to any other common criminal. These massive, heartless common criminals, these terrorists, must be fought by the international community, not by the states individually.

Another aspect of the Ecuadoran Government's stance is that it is mandatory to have the cooperation of other states to fight these scourges. Fortunately, the Ecuadoran stance is being disseminated to other states. In the latest OAS General Assembly, there was a resolution made in which all member-states described terrorism and drug trafficking as crimes against mankind, and agreed on the need for international cooperation to fight them.

[Moderator] Minister Edgar Teran also pointed out that the trip of President Leon Febres Cordero to the United States shall be an important event, as the two chiefs of state will discuss the various problems affecting the continent.

[Teran] Early in 1986 there will be a very significant event, to which we attach great importance, which is the official visit of President Febres Cordero to the United States. It will be a visit that grants Ecuador special significance in the way of international events because it will be a lengthy state visit with the top protocol ceremony extended by the U.S. Government to chiefs of state. During this visit there will be opportunities to discuss a number of economic, political, and international cooperation matters with the United States, all of which will have beneficial results for Ecuador.

They will refer to the various problems of the continent, to issues of bilateral relations, and to the increased cooperation of the United States and the industrialized world in the face of the economic reconstruction projects underway in our country. After nearly a year and a half of government, we have already reorganized the basic lines of our economy, stopped inflation, eliminated the budget deficits, reduced unemployment, and readjusted wages. Public and private investments have increased, and people throughout the country have regained hope that their long frustrated aspirations may become a reality.

The time has come for Ecuador, again stabilized, to renew its plans and programs designed to launch the nation's economy through positive growth.

U.S. AMBASSADOR MEETS WITH OPPOSITION COALITION

Meeting Termed 'Pleasant'

PY031940 Paris AFP in Spanish 1748 GMT 3 Jan 86

[Text] Asuncion, 3 Jan (AFP) -- Today Clyde Taylor, the new U.S. ambassador in Asuncion, met officially with the main leaders of the National Accord, the Paraguayan opposition coalition. National Accord sources have told AFP that the meeting was extremely important for promoting the recognition of the irregular opposition groups that are excluded from the Paraguayan process.

The meeting, which was held at Taylor's request, was described as unexpectedly pleasant by leaders of the National Accord. Taylor met for 1 and 1/2 hours with the presidents and vice presidents of the Authentic Radical Liberal Party (PLRA), the Christian Democratic Party (PDC), the Colorado Popular Movement (Mopoco), and the Febrerista Revolutionary Party (PRF), at the Casa del Pueblo, the PRF headquarters.

During their meeting with the head of the U.S. mission the National Accord leaders described their platform, designed to pave the way for a democratic succession to the regime of General Alfredo Stroessner. They also emphasized the peaceful objectives of their political organization and ruled out violence as a means of struggle.

Leaders Cited

PY041950 Asuncion Radio Primero de Marzo in Spanish 1440 GMT 4 Jan 86

[From the "News Panorama" program -- Passages within quotation marks recorded]

[Text] Referring to the meeting U.S. Ambassador Clyde Donald Taylor held with members of the so-called National Accord, Miguel Angel Martinez Yaryes, president of the PLRA, said that it was a fluid, sincere, and profound dialogue on the national political situation.

[Yaryes] "The National Accord has asked the church to sponsor a broad national dialogue as a means to find the main (?solution). We have been told that the church has agreed to sponsor the dialogue and that starting this dialogue is part of the activities it is scheduled to carry out."

Yaryes added that the dialogue involved an exchange of points of view.

[Yaryes] "The most important comments Ambassador Taylor made are probably the emphasis he placed on pointing out that the current and previous U.S. Governments give great importance to respect for human rights in all countries. In this regard, he stressed that the United States will always advocate respect for human rights in all the countries with which it maintains relations."

Yaryes said that the other subjects discussed with Ambassador Taylor were the lack of freedom of the press in our country, the situation of political exiles, and restrictions on the development of political activities. He ended by stating:

[Yaryes] "The people and the National Accord will undoubtedly welcome anything that will contribute to the national dialogue. In this regard, I consider very important the influence that U.S. diplomacy, assuming its democratic leadership in the Western Hemisphere, may have. It will probably also have the support of other Western democratic states. The emphasis Ambassador Taylor placed on respect for human rights gives us the hope that violations such as the cases of Domingo Laino and Alfonso Resck may be resolved in the short term. These cases obviously represent an unjustified violation lacking any legal grounds. They should be solved as a preliminary measure to guarantee that the dialogue that may take place is sincere, projected toward the future, and encouraging for our country."

These were comments by Miguel Angel Martinez Yaryes, president of the PLRA.

Waldino Ramon Lovera, acting president of the National Accord and Mopoco representative, noted that the meeting held with the U.S. ambassador was very important, especially taking into account that the ambassador himself visited the National Accord headquarters.

[Lovera] "[Words indistinct] legalization of the National Accord, despite the government's policy of not recognizing this multinational political organization. From this point of view, the U.S. ambassador's presence was very important. In a spontaneous gesture, Ambassador Taylor approached the National Accord to learn about its mechanisms and about this very unfair struggle that the democratic opposition is waging against the current regime."

Lovera added that they also analyzed the role currently being fulfilled by the National Accord.

[Lovera] "The National Accord disclosed its political proposal for a peaceful change and its absolutely peaceful means of struggle and stated that it desires the democratic outcome that may be reached through a national dialogue. This is a subject that was discussed carefully, and it was fully agreed that the national dialogue is one of the most important phases necessary to reach a peaceful, democratic outcome and, if possible, avoid traumatic effects for this democratic outcome."

Lovera said that the creation by the government of the so-called mulitparty organization is not in keeping with reality.

[Lovera] "Because every kind of agreement or dialogue should be carried out from two positions: the democratic position and the government position so that positive solutions may emerge for an effective democratization process in our country. We have requested the church's support. The church has to implement this dialogue, because the National Accord itself, in view of the prevailing situation, cannot sponsor it since the government does not recognize it, considering it an irregular, extremist, and subversive organization. Therefore, the National Accord, in its determination to fulfill its objective of a peaceful change, has made an appeal for this national dialogue and requested the church open a path for it. [words indistinct] and thoroughly analyze the solutions currently necessary in our country in a peaceful atmosphere."

Waldino Ramon Lovera ended by stating that the National Accord agreed to continue the dialogue with the U.S. ambassador.

The visit the U.S. ambassador paid is recognition of the National Accord as a true political force within the country, Alfredo Rojas Leon, president of the PDC, said.

[Rojas] "We could say that it grants the National Accord and the political parties that form it international legitimacy."

Rojas Leon added that in his capacity as president of the PDC, he informed Ambassador Taylor about his party's current activities.

[Rojas] "We informed the U.S. ambassador about the party's activities. We explained the purposes of the tasks being carried out regarding (?various) issues and also expressed our expectations regarding the country's political future. We placed emphasis on the importance which a broad, all-encompassing dialogue has for the future of the country and which the National Accord has requested be conducted through the church."

Accord Issues Communique

PY042153 Asuncion ULTIMA HORA in Spanish 4 Jan 86 p 11

[Text] U.S. Ambassador Clyde Donald Taylor held lengthy meetings yesterday with representatives of the PLR and the Liberal Party [PL] in the U.S. Embassy. Political, economic, and social matters were discussed.

According to reports, Ambassador Taylor met at 1500 with the PLR leadership headed by Emilio Forestieri. A friendly conversation was held on national and international issues.

The PL delegation was headed by Joaquin Atilio Burgos and Carlos Ferreira Ibarra and met with the U.S. ambassador at 1630.

At the conclusion of the meeting, the PL leaders said that primarily economic and political issues were discussed. Ferreira Ibarra said that Ambassador Taylor discussed the Paraguayan economic and financial situation, referring mainly to our foreign debt.

Taylor spoke about the servicing of the foreign debt this year and the effects smuggling can have on the country's economy.

Taylor also referred to the high percentage of young people in Paraguay and the prospects for creating jobs for them. Ferreira Ibarra said that the ambassador was happy to be informed of the PL's desire to talk with all the political forces of the country, especially with the liberal sector.

Ferreira Ibarra conveyed to the U.S. ambassador his party's desire to have the credits granted to the country audited so they will be better invested. The meeting ended at 1740.

The National Accord released a communique on the meeting that political coalition held with U.S. Ambassador Clyde Taylor in the headquarters of the Febrerista Revolutionary Party. The document says: "Important points of view related to the political and socio-economic situation in the country were exchanged during the meeting. The National Accord emphasized its political proposal for peaceful change, its absolutely peaceful method of struggle, and its desire to guide through national dialogue the implementation of measures to achieve democracy peacefully for the benefit of the country."

Montanero Condemns Meeting

PY052059 Asuncion EL DIARIO in Spanish 5 Jan 86 p 8

[All quotation marks as published]

[Text] Interior Minister Dr Sabino Augusto Montanaro yesterday lashed out harshly against a meeting U.S. Ambassador Clyde Taylor held with members of the National Accord.

Among other things, Montanaro said: "We deny him the authority to meddle in our country's internal politics."

The interior minister told EL DIARIO: "We emphatically and categorically reject Clyde Taylor's intervention in our internal political affairs."

The interior minister made these statements in the wake of reports published by newspapers stating that U.S. Ambassador Taylor had held a meeting with a group of politicians from parties making up the National Accord.

In this regard, Minister Montanaro stated: "We reject this, and we will not allow the U.S. ambassador to intervene in our country's internal politics. Mr Taylor may be a very capable person, or he may wish to pursue his policy as 'U.S. expert on drug trafficking,' but we deny him the authority or power to meddle in our country's internal politics."

The interior minister added: "We do not believe [illegible] seeks to give a birth certificate to irregular groups of politicians lacking any representation whatsoever, although he seeks to establish himself as a patron or protector of the members of the National Accord, the persons claiming that they represent the Colorado Party, the Liberal Radical Party, or the Christian Democratic movement, parties not legally established in our country. This is open meddling in our internal affairs."

"Neither Mr Taylor nor his squires, Alex Featherstone and John Martin, can legalize or establish as political parties persons who are well-known for their irregular position within their own parties," Montanaro stated.

In addition, Montanaro emphasized: "We will champion the principles of an "authentically" representative democracy and will reject either ambassadors, technical experts, or envoys [comisionados] sent by directors outside our country."

The interior minister stated: "In Paraguay, the Colorado Party and the political parties recognized by the Constitution and the laws are governing democratically adding that this is something only Paraguayans are entitled to do. Let them intervene and act as patrons in countries where the principles of a republican and representative democracy are not recognized."

In conclusion, Minister Montanaro said: "We oppose the meddling of Taylor, Abrams, and others, no matter what titles or experience they want to establish in Paraguay, where they must respect the sovereignty, freedom, and justice with which Army General Alfredo Stroessner and the Colorado Party are governing.

Colorado Leaders Criticize Taylor

PY042008 Asuncion LA TARDE in Spanish 4 Jan 86 p 15

[Text] Pedro Hugo Pena, the Colorado Party political secretary, has said the meeting U.S. Ambassador Clyde Taylor held yesterday with leaders of the political parties that make up the National Accord was surprising and unfriendly. This is his evaluation of the meeting held by the U.S. ambassador.

Pena added that the U.S. ambassador's attitude surprised "the government to which he is accredited and certainly the Colorado Party."

At noon yesterday the U.S. ambassador met with the presidents and vice presidents of the PLRA, Mopoco, the PDC, and the PRF after requesting an interview with the top leaders of the National Accord.

Pena criticized the contacts the U.S. ambassador made with the "irregular" opposition members, because "officially" contacts can be made with parties and members of the regular opposition.

Juan Manuel Frutos, a member of the Colorado Party Executive Board and president of the Rural Welfare Institute, has labeled the meeting U.S. Ambassador Clyde Taylor held yesterday with members of the National Accord as unusual.

As opposed to Pena, who disregarded any possible interference in the internal affairs of the country by the U.S. ambassador, Frutos set the event within the framework of political interference, stating that the meeting with the irregular members of the opposition was not "the best way for Ambassador Taylor to intervene in Paraguayan internal affairs."

Frutos said, however, that his assessment was personal, "because an individual cannot speak in the name of the government and the Colorado Party or become a spokesman of the official party if a meeting at the institutional level has not been held."

He added that it was unusual for the ambassador to call for a meeting with the irregulars.

Frutos went on to discuss the degree of democratic evolution in Paraguay, saying that it is improving with time and in accordance with the characteristics of the country's historical and cultural process.

Based on that assessment, he said that a democracy cannot be qualified as either good or bad; only its degree of evolution must be determined.

He added: "From that point of view, the democratic history of Paraguay is improving with time, without the existence of explosive, pressing social problems involving terrorists, people's revolutionary armies, violations of human rights, missing persons, and all those calamities that are unknown in our country."

COMMUNIST PARTY MEMBER EXPELLED FROM COUNTRY

PY041526 Paris AFP in Spanish 2316 GMT 3 Jan 86

[Text] Asuncion, 3 Jan (AFP) -- Relatives of Roque Ruiz Diaz have informed AFP that the police expelled him from the country on 16 December. Ruiz Diaz, 62, a veteran of the Chaco War against Bolivia (1932-35), was expelled from the country 5 days after he was given a provisional release from prison, where he had been jailed for 3 years because he is a member of the Communist Party, which is forbidden in Paraguay.

Ruiz Diaz obtained provisional release, as did Antonio Gonzalez Arce and Emilio Lugo Valenzuela, whom the police accused of being members of the pro-Chinese Communist Party. The three men were again detained on the day of their release, 11 December, by personnel of the Police Investigative Department and were held incommunicado until 16 December.

Gonzalez Arce and Lugo Valenzuela were released on 16 December, and on the same day the war veteran was taken by the police to the border town of Clorinda, Argentina, and told not to re-enter the country.

Regarding the pro-Chinese case, 3 years ago 34 people were arrested and accused of belonging to the Communist Party. According to relatives, one of the arrested individuals, widow Leonidas Bogado Gonzalez, died, presumably from the effects of torture, while in the custody of police. Bogado Gonzalez' four sons were arrested at the same time she was, but they obtained their freedom with all the other arrested persons.

PRIME MINISTER RETURNS FROM VISIT TO CUBA

PY032237 Paris AFP in Spanish 2110 GMT 3 Jan 86

[Text] Lima, 3 Jan (AFP) -- Luis Alva Castro, prime minister and economy minister, returned today after paying a 5-day visit to Cuba. Although the visit was not official, it was the first visit to Havana by a Peruvian Government official in more than 5 years. Upon his arrival Alva Castro declined to comment, and Fisheries Minister Jose Palomino said only that the visit had been very useful.

Palomino brought with him a stuffed tilapia, an African fish that Cubans raise in ponds. Palomino said a few days ago that Cuba will send Peru young tilapias to be bred in rivers and lakes. In return, Peru will send Cuba young paiches, an Amazon River fish that has adjusted quite well in Cuba.

WAGNER TO VISIT PANAMA TO PREPARE AREA SUMMIT

PY041343 Madrid EFE in Spanish 0010 GMT 4 Jan 86

[Text] Lima, 3 Jan (EFE) -- Foreign Minister Allan Wagner reported in Lima today that he will go to Panama in February to meet his Panamanian counterpart and prepare the agenda for a meeting of Latin American presidents to be held in the Panamanian capital. The presidential summit, which will be held this year, must be called by Panamanian President Eric Delvalle following an initiative by Peruvian President Alan Garcia when he took office on 28 July 1985.

Wagner said the meeting has not yet been called and that during his stay in Panama he will study the agenda. Later the meeting will be announced and a date will be established. He said that the foreign debt, acquisition of external financial resources, protectionist practices, and international relations are among the issues to be addressed by the Latin American presidents. "The objective of the meeting is to strengthen regional integration and cooperation and to safeguard peace in the region," he added.

He praised President Delvalle's willingness to host the meeting, which, he said, "will be the first one, at least in this country."

Concerning relations between Peru and Cuba, Wagner said they are being normalized and that the two countries will exchange ambassadors "as soon as possible," after a 5-year period during which bilateral relations were at the level of charge d'affaires. He reported that the Cuban Government has asked for approval for the designation of its ambassador to Peru, while the Peruvian Government has already appointed Carlos Higueras Ramos to head the Peruvian mission in Havana.

Peruvian Prime Minister Luis Alva Castro, who is also the economy minister, returned today from Cuba, where he met with Fidel Castro. In turn, the Peruvian-Cuban joint commission met a few days ago. There has been concrete progress in the normalization of relations.

The foreign minister made these remarks during a ceremony in which Peruvian officials and Juan Cardenas, the executive director of the Latin American Organization for Developing Fishing (Oldepesca), signed an agreement establishing that Peru will be the headquarters of this organization.

UK FOREIGN MINISTER OF STATE YOUNG VISITING

PY042056 Paris AFP in Spanish 1708 GMT 4 Jan 86

[Text] Lima, 4 Jan (AFP) -- Janet Mary Young, minister of state of the British Foreign and Commonwealth Office, arrived in Lima today on an official 4-day visit. Young, who will also travel to Mexico and Costa Rica, was welcomed at the airport by Foreign Minister Allan Wagner, who said the visit will serve to strengthen bilateral relations.

Young's agenda includes a meeting with President Alan Garcia on Monday and a meeting with Wagner at Torre Tagle Palace the same day. Wagner and Young will address bilateral cooperation, the foreign debt, bilateral trade, the acquisition of financial resources from external sources, world peace and security, East-West and North-South relations, the new international economic order, and, particularly, Peruvian-UK relations.

UK Ambassador John William Shakespeare has said that on Sunday Minister Young will visit Arequipa, Peru's second largest city, 1,000 km south of Lima, to get first-hand information on the work three well-known British geologists are conducting in that city. The visitor will meet with Interior Minister Able Salinas next Thursday.

SUPREME COURT PRESIDENT CALLS FOR AUTONOMY

PY040028 Lima Panamericana Television Network in Spanish 0200 GMT 3 Jan 86

[Excerpts] Supreme Court President Dr Hector Beltran Rivera requested today that a new organic law for the judiciary branch be promulgated in order to modernize the administration of justice in the country. In his speech inaugurating the judicial new year, Dr Beltran Rivera said that it is now inconceivable that case portfolios are still put together manually, because as trials progress new pages are added and this can permit tampering.

The court president also said that he will expeditiously continue the task of moralizing the judiciary branch. He said that drug trafficking and terrorism constitute the two most powerful driving forces of immorality in the country.

[Begin Beltran recording] One of the indispensable elements for the judicial branch to administer justice is autonomy. We have to be autonomous, free from any kind of pressure, any type of favoritism. If we can be autonomous, the vices the judicial branch has acquired will be corrected without any further effort. For me, autonomy and independence of the judicial branch are of foremost importance. So as you have heard, my hope is to have a totally independent and autonomous judicial branch. [end recording]

JUDGES, PROSECUTORS ACCUSED OF CRIMES, DISHONESTY

PY042251 Madrid EFE in Spanish 2330 GMT 2 Jan 86

[Text] Lima, 2 Jan (EFE) -- Attorney General Cesar Elejalde reported in Lima today that more than 60 officials, judges, and prosecutors have been charged before the judicial branch with drug trafficking, abuse of authority, and dishonesty.

Elejalde explained that his office is carrying out "a profound moralization campaign" and that the cases of officials accused of crimes will be resolved by the courts.

The attorney general also said that a special commission will travel to Ayacucho, 575 km southeast of Lima, to investigate the case of missing persons in that region, which is under a state of siege as a result of subversive activities.

ARMY CHIEF BECOMES CHAIRMAN OF JOINT COMMAND

PY031340 Madrid EFE in Spanish 0135 GMT 3 Jan 86

[Text] Lima, 2 Jan (EFE) -- Army Commander in Chief General Guillermo Monzon Arruategui was installed today as chairman of the Peruvian Armed Forces Joint Command. Monzon replaces Air Force Commander in Chief General Luis Abram Cavallerino, who passed the command badge on to him.

The joint command is made up of the commanders in chief of the three services. The third member of the Joint Command is Navy Commander in Chief Vice Admiral Victor Nicolini del Castillo. The chairmanship of the command is rotated, and 1986 is the Army commanders' turn.

According to the state news agency ANDINA, during the ceremony at the Joint Command headquarters in Lima, Monzon reiterated that the Armed Forces respect the Constitution and the law and that they will fulfill their mission of defending national sovereignty and supporting efforts to achieve development.

He also reiterated the command's support for the decisions that President Alan Garcia made on the oil contracts signed with Occidental Petroleum, a U.S. firm, and Occidental-Bridas, a U.S. -Argentine consortium, and on the cancellation of the contract with the U.S. firm Belco Petroleum. Monzon condemned terrorism and said that the Armed Forces will remain united in the struggle against this scourge.

SHINING PATH ATTACKS AGUA BLANCA, KILLS 16

PY031806 Lima Cadena America Television in Spanish 0300 GMT 3 Dec 85

[Text] On 1 January at 2300 a Shining Path column attacked the town of Agua Blanca in the Huamalies Province, Huanuco Department, killing 16 people with shovels and homemade bombs. The local people killed two subversives, whose bodies were carried away by their colleagues.

This morning two military patrols went out to search for the assailants, but no results have yet been reported.

REPORTAGE ON REAGAN MEETING WITH DE LA MADRID

L. American Debt To Be Discussed

FL031407 Mexico City NOTIMEX in Spanish 0220 GMT 3 Jan 86

[Text] Mexico City, 2 Jan (NOTIMEX) -- Today, Foreign Secretary Bernardo Sepulveda Amor asserted that the main topics to be discussed by President Miguel de la Madrid and U.S. President Ronald Reagan during their talks will be about economic and trade matters.

The official indicated that the Mexican side will make efforts to insure that export goods are not affected by protectionist measures, which are so damaging and obstruct the free influx of goods, especially from industrialized countries. Sepulveda Amor said this position is aimed at obtaining a greater amount of foreign currency for the country and is related to the foreign debt issue.

The foreign secretary noted that another subject to be discussed will be border cooperation. This matter is of concern for the two countries, mainly because of a pollution problem the Mexican Government has been making efforts to solve.

He pointed out that another issue to be discussed will be the struggle against drug smuggling. About this, he said attacking its distribution, trade, and market is not enough. Drug abuse itself must also be confronted to avoid hazard to public health.

Another matter of discussion, he said, will be maritime limits on which the U.S. Department of State and the Mexican Foreign Secretariat prepared a treaty.

Finally, Sepulveda Amor said 4 hours are more than enough to thoroughly discuss every and each one of the mentioned topics, and indicated that U.S. Secretary of State Shultz and himself will also hold a work meeting.

Capital Depletion on Agenda

FL031543 Mexico City NOTIMEX in Spanish 1445 GMT 3 Jan 86

[Text] Mexico City, 3 Jan (NOTIMEX) -- Foreign Secretary Bernardo Sepulveda Amor has asserted that one of the subjects to be discussed today between the presidents of Mexico and the United States, Miguel de la Madrid and Ronald Reagan, during their talks at the Mexican border-town of Mexicali will be Latin America's capital depletion [descapitalizacion]. He added that the depletion of capital in Latin America is very harmful not only for countries of the region but to the economies of all nations.

He noted that during the meeting of the heads of state, attempts will be made to find a compromise between what U.S. Treasury Secretary James Baker proposed and what the Cartagena accord suggested in Montevideo so industrialized and developing countries can benefit.

Sepulveda Amor underscored that the foreign debt problem concerns not only debtor countries but also creditor countries. That is, he explained, adequate, sensible formulas are being sought which guarantee the health of international financial and economic systems as a whole. He indicated that today, the heads of state from Mexico and the United States will discuss this subject, especially aspects regarding finances, trade, and the foreign debt.

During an interview carried by a state-run television station, Sepulveda asserted that what is being raised is the need to generate wealth for the welfare of the people and insure that there is enough capital to generate that wealth. The foreign secretary pointed out that one of the difficulties we face is the fact that a clear transfer of resources from Latin America to foreign countries is occurring when it should be the other way around. Latin America is comprised of a group of developing countries and what it needs is capital to be transferred to the countries of the region so wealth may be generated, he added.

De la Madrid Welcomes Reagan

PA032158 Mexico City XHDF Television Network in Spanish 1955 GMT 3 Jan 86

[Text] At 1018 local time this morning U.S. President Ronald Reagan arrived in Mexicali, where he was welcomed by President Miguel de la Madrid. The two presidents will talk for 4 hours. Special correspondent Francisco de la Sota reports from this city in Baja California:

[Begin live De la Sota relay] President de la Madrid welcomed President Reagan. During the welcoming ceremony the Mexican president demanded a border of peace and goodwill for the two nations.

[Begin De la Madrid recording] Mr President Reagan, on behalf of the Mexican people and government, I most warmly welcome you and your retinue to Mexican territory. Our meeting of today -- the fourth since October 1982 -- will be a new opportunity to personally review the situation and the outlook for the relations between two neighboring peoples who want to be worthy and loyal friends.

I am happy because we now meet in Mexicali, capital of a state that reflects the spirit of nationalism, progress, and modernity that marks the Mexicans of our northern border. This border shows that it is possible to keep and strengthen an acute awareness of national identity and at the same time to take advantage of the opportunities for cooperation between respectful and progressive friends.

Those who dwell on both sides of the Rio Grande understand well the need to acknowledge peculiarities, prevent conflicts, reconcile interests, and foster trade for the good of the two sides. At the border, interdependence is more intensely expressed. The neighbor's well-being, as something desirable, has a clearer meaning. For this very same reason, in calm times and even more so in difficult ones, the Mexican and U.S. border states play a leading role in the development of our bilateral ties. Our 3,000 km common border is particularly vulnerable to the impact of our economic crisis. Nowhere else do so many people move back and forth. The flow of goods and services must of necessity be marked by cooperation and fairness. We must continue our efforts so that ours can continue to be a border of peace and mutual security and profit.

We are dealing with the coexistence of two countries whose historical experiences are different. Their cultural antecedents and development levels are also different. In addition, the two countries cannot interpret the political and economic reality in the same way. Apart from our diversities though, the two peoples have similar ideas, such as respect for man's dignity and liberty, as well as democracy in social and political organizations.

Mr President Reagan, I feel it is good to ponder these realities, consider them, and draw positive conclusions and constructive projects.

In U.S.-Mexican relations, we have succeeded in maintaining a flowing communication between the various levels of our two governments. This permanent dialogue favors constructive discussion, the overcoming of conflict, the reconciliation of interests, and the seeking of solutions for common problems. You and I are meeting again today to strengthen a framework of political understanding and loyal friendship that can ensure mutual confidence and feasible, good faith answers for our problems.

In you, Mr President Reagan, I want to recognize a leader who has always been willing to listen to my arguments in a friendly manner and to take measures that have helped to solve delicate and difficult problems and find formulas for cooperation in various fields. The agenda, which includes discussion of the ties between Mexico and the United States, is extensive. The topics that we will discuss today are of a varied and complex nature. I am convinced that our talks will serve the lofty purpose of making our neighborhood more friendly and profitable and enriching our respective ideas about the regional and international matters that concern the two governments.

Mr President Reagan, welcome. [end recording] [end relay]

Ministers Discuss Talks

FL041450 Mexico City NOTIMEX in Spanish 0425 GMT 4 Jan 86

[By special correspondents Gregorio Alpizar and Agustin Pradillo Cuevas]

[Text] Mexicali, 3 Jan (NOTIMEX) -- Finance and Public Credit Secretary Jesus Silva Herzog has said: From an economic point of view in general and particularly a financial point of view, the constructive climate of the meeting held between President Miguel de la Madrid and U.S. President Ronald Reagan will ease the arduous road we will be traveling in 1986.

During a press conference held by Silva Herzog, Foreign Secretary Bernardo Supulveda Amor, and Commerce and Industrial Development Secretary Hector Hernandez Cervantes, the foreign secretary stressed that the meeting between the two leaders took place in a cordial, pleasant, respectful atmosphere where the fundamental topics of bilateral relations were discussed.

In the economic area, Silva Herzog said the meeting established the possibility that the trend of low interest rates from the international banks will continue in 1986, which will reduce the economic and social pressures of the more indebted countries, including Mexico. During the press conference -- during which the Mexican officials outlined the meeting between De la Madrid and Reagan -- the finance secretary said measures will be increased to obtain $4 billion from international financial organizations and commercial banks, which Mexico requires for imports, the domestic economy, and foreign debt payments.

In reference to the U.S. economic proposal known as the Baker Plan, Silva Herzog said it constitutes a new era for the treatment of the Latin American foreign debt but in no way will resolve the problem. The plan needs further clarification. Nevertheless, he said it is a positive initiative because it proposes an important change in recognizing the true nature of the debt and the need for more equal participation with more co-responsibility in solving the problem, which Mexico has been proposing over the past 3 years in several international forums.

For his part, Foreign Secretary Sepulveda Amor practically announced suspension of the tuna embargo imposed by the United States in 1974. He said minor details are still pending that could not be concluded prior to the meeting of the two presidents. It is expected that the U.S. Senate will shortly ratify the maritime limit treaty between the two countries, which will definitely resolve the conflict.

The foreign secretary also announced the Contadora Group's renewal of peace negotiations suspended in November and confirmed that on 11 and 12 January a meeting will be held in Caracas with the support group, which includes Brazil, Peru, Argentina, and Uruguay.

He said the Central American crisis is one of the topics the two presidents discussed and Reagan was asked to listen to the Latin American position on resolving the conflict. Sepulveda Amor also said the Mexican Government is committed to reaching a just, negotiated solution based on political dialogue for Central America. He said: We want, and I believe we have left, an authentic testimony of our efforts, as exemplified by the Contadora Group's peace act.

Sepulveda Amor also stressed the positive signs of cooperation on combatting drug trafficking, particularly the progress obtained over the last few years from the coordinated efforts of the two countries' attorney generals.

In reference to illegal immigrants entering the United States, the foreign secretary said it is a bilateral problem because this enriches the U.S. economy. Any problems resulting from this should be dealt with by the two countries. Sepulveda Amor also referred to the two presidents discussion of border cooperation, which represents an extensive flow of goods, services, and people, and requires cooperation and reciprocal understanding.

On trade relations, Commerce Secretary Hernandez Cervantes reported that the objective of the foreign trade and investment policies coincide with the U.S. position of growth in the two sectors. We are important for each country since we maintain a superior trade of $30 billion annually, he said. Hernandez Cervantes also said the Mexican trade opportunities were well received by the Reagan administration as well as the GATT membership, which will provide an opportunity to expand trade. The need for a new round of negotiations on services for 1986 was pointed out but the agenda did not specify a date.

The Mexican officials reiterated the United States' willingness, understanding, cooperation and support in maintaining open communication to resolve these conflicts, especially the economic problems that Mexico confronts.

PRI Pleased With Meeting

PA052210 Mexico City XHDF Television Network in Spanish 0300 GMT 5 Jan 86

[Text] The Institutional Revolutionary Party today expressed satisfaction over the results of the meeting between the presidents of Mexico and the United States. The president of the PRI's National Executive Committee, Adolfo Lugo Verduzco, said his party supports President De la Madrid's foreign policy because it is in line with preserving our national sovereighty. He noted that the meeting between Reagan and De la Madrid had bolstered the friendly relations between the two nations and contributed to the solution of the problems shared on a common border, among other issues. Lugo Verduzco pointed out that the attitude of President De la Madrid is consistent with Mexico's foreign policy.

SEPULVEDA SAYS MEXICO TO CONTINUE IN CONTADORA

FL040344 Mexico City NOTIMEX in Spanish 0205 GMT 4 Jan 86

[Text] Mexicali, Mexico, 3 Jan (NOTIMEX) -- Secretary of Foreign Relations Bernardo Sepulveda Amor announced here today renewal of the peace-seeking efforts of the Contadora Group, with which the support group will meet in Caracas, Venezuela on 11-12 January.

At a press conference that the foreign secretary held with Secretary of Finance Jesus Silva Herzog and Secretary of Commerce Hector Hernandez Cervantes, the Mexican foreign secretary stressed the fact that the peace-seeking negotiations will continue, to which end a meeting has been called with the participation of Mexico, Colombia, Panama, and Venezuela plus the members of the Support Group, which consists of Peru, Argentina, Uruguay, and Brazil.

During the press conference, Secretary of Finance Jesus Silva Herzog said that although the Baker Plan proposed by the United States will be basic to the support of the American economy, it will by no means solve the debt problem. He insisted on the need for greater financing. In 1986 Mexico will require $4 billion to meet its debt servicing costs, import necessary goods, and support the domestic economy, for which reason he announced that the talks with 500 international banks and financial organizations to obtain these resources will continue.

FOREIGN INVESTMENTS EXCEED $1.5 BILLION IN 1985

FL022040 Mexico City NOTIMEX in Spanish 1635 GMT 2 Jan 86

[Text] Mexico City, 2 Jan (NOTIMEX) -- Foreign investment in Mexico exceeded $1.5 billion in 1985, said Adolfo Hegewish Fernandez, deputy secretary of investment regulation and technology transfer. He said U.S. investment is the primary source, composing 64 percent of foreign capital in Mexico. The increase in foreign investments demonstrates the confidence that countries have in Mexico, he said.

He said the meeting that President Miguel de la Madrid will have tomorrow with U.S. President Ronald Reagan can be expected to increase U.S. investor's confidence in Mexico.

The Mexican official added that relations between Mexico and the United States are good and Mexico offers obvious guarantees to foreign investors and has an important domestic market. Perhaps one of the most attractive incentives is that Mexico has more than 70 years of political stability and social peace.

Mexico has foreign investments exceeding $14 billion and the 6,900 companies in Mexico operating on foreign capital produce 34 percent of the non-oil exports, Hegewish Fernandez stressed.

In relation to foreign investment, he said one needs to wait and see if the development proposals are completed which include the creation of an export plant, rational and efficient imports, transfer of technology, and the creation of jobs.

Hegewish Fernandez said U.S. investments in Mexico do not come to 2 percent of U.S. investments worldwide. He same more than 80 percent of U.S. foreign investment is made in the industrialized countries and only 18 percent is directed to developing countries.

16 PROTESTERS, POLICEMEN INJURED IN PROVINCIAL RIOT

PA032302 Mexico City XEW Television Network in Spanish 1300 GMT 3 Jan 86

[Text] A communique from the San Luis Potosi governor's office has reported on statements by Governor Florencio Salazar during a press conference. The governor accused Salvador Nava Martinez -- nicknamed Cacique -- of disturbances that occurred yesterday in the state's capital city.

According to the communique, the attorney general reported eight demonstrators and eight policemen were injured by a fire at the doors of the municipal palace. Three of those detained -- the communique goes on -- confessed that Guillermo Tisuto, PAN [National Action Party] municipal presidential candidate, incited them at the civic center and told them to set the municipal palace on fire.

According to the communique, judicial investigation disclosed that the person found dead several blocks from the place of the disturbances died as the result of several ribs crushed by a vehicle that ran him over. This was determined through an autopsy.

It has also been reported that 200 PAN demonstrators again rallied in front of the government palace yesterday and insulted the authorities, yet no violent actions occurred.

State Governor Comments

PA030420 Mexico City XHDF Television Network in Spanish 0100 GMT 3 Jan 86

[Text] Peace has returned to San Luis Potosi. Governor Florencio Salazar Martinez has explained what happened. Following is a report by our correspondent Luis Vasquez Merino in San Luis Potosi:

[Begin Vasquez recording] San Luis Potosi Governor Florencio Salazar Martinez today denied that a man was killed as a result of the incidents at the Plaza de Armas yesterday. Nevertheless, he admitted that 14 were injured during the event and added that the old man picked up by the Red Cross died in an automobile accident, as proved by the autopsy. Governor Salazar Martinez also denied that some of his collaborators had resigned. The only official that really resigned was the PRI's secretary general for the state, Julio Hernandez Lopez.

The state leader explained that the events and disputes provoked on 1 January will be thoroughly investigated and the culprits will be punished. However, he denied that there had been any repression. After deploring the incidents, he stressed that they were caused by people with the spirit of chieftains who demand the removal of local leaders. Meanwhile, peace has slowly returned to the state capital, now that the Army is no longer cordoning off the area. [end recording]

13 U.S. CONGRESSMEN VISIT, DISCUSS U.S. TIES

PA040443 Panama City LA PRENSA in Spanish 3 Jan 86 p 1 A

[By Jose Quintero de Leon]

[Text] A delegation of 13 U.S. congressmen has met for 90 minutes with members of Panama's Legislative Assembly to obtain first-hand responses to their concerns about our country's political and economic situation, and most particularly about the latest developments in Panama.

John J. LaFalce, D-New York, candidly told his Panamanian colleagues that the U.S. Congress wishes to hear their version of Panama's complaints about the application of the canal treaties and also expressed the U.S. authorities' desire that Panama's banking laws be amended because the laws are too lenient and permit the laundering of dirty money, which has a negative impact on U.S. society.

According to LaFalce, if Panama agrees to amend the law, it will obtain greater benefits from the Reagan plan because expenditures for conventions held at the Atlapa Convention Center would be tax deductible and the flow of U.S. tourist money would increase.

Doubts About Contadora's Effectiveness

With regard to Contadora's importance, LaFalce said the U.S. people have serious doubts about the effectiveness of the group's peacekeeping efforts and question Panama's actions in it because its role has sometimes been warm and other times tepid. They also question Nicaragua's attitude of hindering a negotiated resolution of the crisis.

With regard to Dr Hugo Spadafora's murder and the resignation of former President Nicolas Ardito Barletta, mention was made of Senator Jesse Helms' suggestion that any economic assistance the U.S. may grant to Panama be curtailed if a deterioration in Panama's democratic process continues to be noticed.

Violations of the Treaties

Assuming a strongly nationalistic stance, Legislator Luis Gomez, spokesman for the government bloc and the PRD [Democratic Revolutionary Party] in the majority, harshly asserted that despite all efforts by General Torrijos and former U.S. President Jimmy Carter, the Torrijos-Carter Treaties are being systematically violated by the United States.

Gomez listed several of the 66 violations that have been detected, charging that the enforcement of the Murphy Law (96-70) entails an annual loss to Panama of $53 million. He also mentioned continuing discrimination against Panamanian labor, abuses with regard to the reversion of properties, unilateral changes in tolls, and the fact that Panama's participation in certain areas has not increased as it should.

Regarding the Contadora Group, the PRD legislator accused the Reagan administration of destabilizing the region by helping the Nicaraguan "contras," driving Nicaragua into a "blind alley" and isolating it like Fidel Castro's Cuba. According to Gomez, creation of the group was predicated on the Torrijist principle that "he who consults the most makes the least mistakes" in order to reach a peaceful settlement through negotiation.

Gomez feels that President Reagan is insisting on obtaining authority, even against the wishes of Congress, to intervene in Central America and that this involves a political contradiction, as flights have continued to leave Howard Air Force Base, in the canal area, with supplies.

Ardito Barletta's Separation

Gomez questioned Congress' displeasure over the former president's "resignation," claiming that U.S. Ambassador Everett Briggs never protested against it, and apparently Senator Helms is now more Panamanian than the Panamanians themselves. He then denied that Ardito Barletta was "held under arrest" at any time following his return from the United States and said Ardito Barletta resigned voluntarily.

Gomez mentioned the problem of the foreign debt, asserting that it originated in the large sums of devalued dollars that were loaned to us by U.S. bankers, who are now collecting them at a rate that is 45 percent higher. In addition, he asserted that our trade with the United States is unfair because we sell it our raw materials and it sells us its products at high prices.

Gomez seized the occasion to tell LaFalce that he did not wish to elaborate on the specific Spadafora case because the investigations had led nowhere and, besides, the murder took place in Costa Rica. He criticized the fact that unscrupulous politicians tried to use this regrettable incident as a banner to promote their base interests. He asserted that Panama is enjoying full peace and democracy and does not require 100 soldiers to guard the Legislative Palace, a situation that is rare in Latin America these days.

Opposition Submits Its Version

When his turn came, Panamenist legislator Jacobo Salas took a different approach to the canal problem. According to him, the problems with the canal are a result of the moral degradation of the administration, which in turn is resulting in growing disarray. Salas spoke about an impending labor crisis because the elimination of permanent jobs will leave 5,000 unemployed.

With regard to Contadora, Salas emphatically criticized the communist influence in the area. "We are Catholics, have no interest in Russia, and prefer to be friends of the United States." In his opinion, the Contadora Group no longer represents an option to achieve peace. "Contadora will wither and die" because Nicaragua has no desire to negotiate peace.

With regard to Ardito Barletta, Salas said his party never accepted the validity of his accession to the presidency, but that neither his party nor Morlirena [Nationalist Liberal Republican Movement] or the Christian Democratic Party believe that his overthrow will help preserve Panama's fragile democracy.

With respect to the Spadafora case, Salas noted that the disappearances and murders that have occurred since 1968 have gone unpunished and there is concern that these times will return. Salas asserted that the general opinion is that Spadafora was murdered in Panama and not in Costa Rica, and it was requested that a special commission be appointed to investigate the murder independently, but nothing has been done in this regard.

Finally, he noted that our social situation is deteriorating because of the socioeconomic crisis in Panama, where there is poverty and hunger.

He called for reconciliation among Panamanians to extricate the country from its present apathy and to live in peace and democracy.

Summing up his concerns, Congressman Carroll Hubbard Jr said the United States is concerned over the future of democracy in Panama because it wants to continue to be our partner and friend. He said Spadafora's violent death shocked the U.S. people. He also recalled that former President Ardito Barletta demonstrated interest in appointing a commission to conduct an independent investigation into Spadafora's murder and was forced to resign shortly afterwards.

NORIEGA SAYS TERRORISTS TRAINED TO STRIKE CANAL

PA051402 Panama City STAR AND HERALD in English 5 Jan 86 p 1

[By Emilio Sinclair]

[Text] The existence of a terrorist commando force, whose objective is to attack the Panama Canal installations, obstruct maritime passage and further strangle Panama's peace efforts, was yesterday confirmed by National Defense Force Commander Gen. Manuel Antonio Noriega.

Gen. Noriega, whose forces, jointly with U.S. Armed Forces, are committed to protecting the Panama Canal, informed this paper that he was in possession of a confidential report that confirmed the training of suicide commandos aimed at disrupting traffic through the interoceanic waterway, which has served humanity since 1914.

"There exist essential elements of intelligence that indicate the training of terrorist commandos in the region to carry out such an activity," the 47-year-old military commander said. "...These terrorists are being trained to be knowledgeable of Latin American characteristics, and to be able to strike in areas of intere to the United States. Panama is considered a vital target of the strike force," he said. The Panama Canal, considered "very vulnerable" by many experts, "is the prime target of terrorists who resort to the use of explosives in suicide squads and the territory in which they were training, limiting himself to pointing to the actions of such groups last week in airports located in Rome and Vienna that saw 19 persons killed and more than 120 others wounded.

Referring to the joint defense of the Panama Canal, Noriega said that his forces "have a mission to accomplish until Dec. 31 1999, to carry out all the necessary coordinations, defense plans and security jointly with the U.S. Armed Forces" to face up to any vulnerability.

"Only the blind, the stubborn, the traumatized can ignore the catastrophic results of a terrorist activity at the Panama Canal," he said. Noriega reaffirmed that the joint defense of the Panama Canal by U.S. and Panamanian Armed Forces is clearly outlined in the Torrijos-Carter Treaties. "It indicates that we are partners in this great enterprise...where not only the security of the United States but the security and peace of Panamanians, owners of the land where we live, are involved."

Noriega was clear in stating that the recent transfers and promotions in the National Defense Force had nothing to do with possible dangers to the Panama Canal. The changes, he said "meant a normal readjustment in our organization...that the Defense Force is diversifying in its professional aspects. New zones have been created. Therefore, these must be covered."

COSTA RICA

CIVIL POLICE TO RESUME TRAINING IN MURCIELAGO

PA040023 San Jose Radio Reloj in Spanish 1200 GMT 3 Jan 86

[Text] The Costa Rican Civil Police will resume military training at the Murcielago base by mid-February. Security Minister Benjamin Piza has reported that now it is the turn of a recruit company currently at the northern command. He said that the civil policemen will return to the northern command upon their completion of 12 weeks of training by Costa Rican military instructors. He also said that another group will be trained in Panama. About six of those stationed at the naval base will go to the Panama Canal Zone to be trained by U.S. instructors for 1 and 1/2 months. There are also plans for a group similar to that of the air base to visit Panama. [sentence as heard]

Piza also reported that a helicopter donated by the United States, which still has not arrived in the country, will likely be changed because it is too large an aircraft, the maintenance of which would cost the Public Security Ministry half a million dollars a year. For this reason, negotiations are underway for a smaller aircraft, more suitable to the country's needs. This aircraft would be similar to others already given by the United States to Costa Rica.

EL SALVADOR

AVALOS REPORTEDLY SENDS MESSAGE TO FAMILY

PA032117 San Salvador EL DIARIO DE HOY in Spanish 3 Jan 86 pp 2, 20

[Text] A cassette with a taped message was sent to the family of Colonel Omar Napoleon Avalos on the occasion of the Christmas festivities, responsible sources said yesterday.

Col Avalos, director of Civil Aeronautics and former chief of the presidential general staff, was kidnapped by the group that calls itself Peoples Liberation Forces [Farabundo Marti Peoples Liberation Forces] on Saturday, 26 October, at 1600, while he was on a farm he owns with two of his children on the outskirts of San Ramon, near Cojutepeque.

As is well known, the kidnappers have requested the release of a large number of terrorists now in custody of Salvadoran authorities in exchange for Avalos' release, following the pattern established with the kidnapping of Mrs Ines Duarte Duran.

Yesterday, it was widely reported that in his message, Col Avalos told the family that he is in good health and has no problems. Reporters could not contact his relatives, and military sources consulted said that revelation of such details falls upon the family. Meanwhile, the Armed Forces yesterday reported new criminal actions by the terrorist groups in the eastern part of the country, and the surrender to Sacatecoluca authorities of several female deserters who said they were tired of the mistreatment they were subjected to by the so-called commanders.

FARABUNDO MARTI RECOUNTS ARMY TRUCE VIOLATIONS

PA032130 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT 2 Jan 86

["Report on Crimes Committed by the Puppet Army and Air Force Against the Guazapa Hill Civilian Population During the Christmas and New Year Holidays"]

[Text] 1. In an attempt to portray an image of effectiveness to its worn out forces and operations, the Army High Command -- through the various brigade chiefs -- overrode Jose Napoleon Duarte's authority and instructed all battalions to enter and hold positions in territories under FMLN control during the final days of 1985.

2. This situation, which reflects the defensive stance the enemy Army has adopted and its troops' low morale, allowed our forces to continue the intense acts of attrition it has staged against the Army throughout the country in 1985.

3. The high casualty toll sustained by the puppet Army during these operations, which coldly and deliberately violated the holiday truce the government had pledged to observe in a communique it issued, was a manifestation of the political weakness of the Christian Democratic administration. The regime has no control over the High Command or the brigade chiefs. It also proved the government's lack of respect for our people's religious traditions.

4. The elite Atlacatl Battalion entered areas under our control in the Guazapa Hill area of the Modesto Ramirez Central Front on 20 December. This was an attempt to maintain the waning image of the purported and false military upper hand that the regime claims to hold over our guerrilla forces.

5. The rebel units of the Carlos Arias Battalion clashed with the enemy troops five times while they were in the area. We inflicted an unconfirmed number of casualties on those troops.

6. Demoralized by our units' actions, the two units of the Atlacatl Battalion staged a hurried retreat from the higher areas of Guazapa Hill and took positions on its slopes, where they were no longer interested in combat, but only in persecuting, detaining, or murdering the civilians who live in the cantons and hamlets of northern Guazapa Hill.

7. Beginning on 21 December they began a cowardly search operation in Delicias, Consolacion, (Sirin), La Caja, El Coyolito and La Haciendita hamlets. They also did this in San Diego and other areas, where they detained the following people: Maria Angela Marroquin, 40; Luz Alas, 53; Estela Leiva, 20, and 3 year-old Cruz Maria. They also murdered Ulises Lemus.

8. The two units of the Atlacatl Battalion remained in the lower Guazapa Hill area from 21 December on. That is where they spent Christmas Eve. They received supplies via U.S.-made helicopters.

9. While the Atlacatl Battalion troops set up camp to await new instructions from the High Command to withdraw and begin their holiday leave rest -- these never arrived -- the officers, company leaders, and commanders of that battalion went to the San Ignacio sugar refinery, where they spent Christmas eve eating heartily and drinking. Meanwhile, the troops ate only canned, cold food and were tortured by the swarms of mosquitoes that typically attack during the sugarcane harvest time.

10. On 25 December, they patrolled the lower area in small groups, creating anguish among the civilian population. They also continued to take captives and destroy houses and crops.

11. In addition to these patrol operations with infantry forces, the Air Force violently harrassed and attacked the civilian population during the duration of the incursion -- on 23, 24, 25, and 31 December. The dictatorship's aircraft, which includes A-37 and AC-47 planes, UH1H and Hughes 500 helicopters, and O-2 Push-and-Pull [preceding two words in English] small planes, have indiscriminately bombed, machinegunned, and rocketed Delicias, La Caja, Consolacion, (Penango), Guadalupe, El (Papaturro), Chaparral, Platanares, and other cantons and villages.

12. These inhuman violations invariably take place each year, especially on 24 and 31 December, while the dictatorship covers up these actions that violate the most basic human rights. No Salvadoran is unaware of the fact that while the Communications and Culture Ministry, within a large-scale misinformation and psychological war campaign, airs Christmas music and messages via Radio Nacional, Air Force pilots led by Colonel Bustillos unleash their fury on the civilian population of Guazapa. Afterward, they withdraw to their bases in Ilopango and head for their homes or recreation centers to celebrate amid luxury and abundance the traditional Christmas and New Year holidays. Meanwhile, the civilian population of Guazapa, amid great pain and sadness, bury their dead and try to save the few belongings not totally damaged by the indiscriminate bombings.

13. After the visit made on 15 October by Monsignor Arturo Rivera y Damas and the efforts made by him before the High Command of the Air Force, those people were to have been allowed to spend their first Christmas -- the first one since the war started -- without being criminally and indiscriminately attacked for the sole reason for refusing to renounce to their legitimate right to live in the place where they were born, made sacrifices, and worked for so many years.

14. However, generals and colonels, who implement the counterinsurgent strategy headed by U.S. advisers, refused to comply with an agreement to suspend all kinds of attacks during the truce days proposed by Msgr Rivera y Damas and did not respect the archbishop's call. Hence, they disregarded the moral religious authority and mocked national and international opinion.

15. In view of the ineffectiveness of the two groups of the Atlacatl Battalion, and in an attempt to demonstrate a presence to back up the deformed and false Coprefa [Armed Forces Press Committee] bulletins, the High Command ordered the demoralized forces of Military Detachment No 5 of Cojutepeque, which were worn down on 11 December in Caballito Hill, to carry out patrol operations in the Estanzuelas and El Roble Cantons, where they clashed with a patrol of our guerrilla forces of the Carlos Arias Battalion. The enemy forces fled in complete disarray. In this clash, we inflicted one casualty on Detachment No 5.

16. As for us, the people and the international opinion know that we have complied with the agreement made in the terms specified in the FDR-FMLN official communique in which we unilaterally ordered our forces to suspend all offensive actions. However, we have also complied with our word to defend ourselves from the aggressions brought about by enemy incursions in territories under our control. We advise that we will comply with the order of our General Command to overwhelmingly counter such enemy actions due to the unilateral violation of the truce by the puppet Army.

17. Via this media, we ask the International Red Cross and all humanitarian organizations to mediate for the sake of the physical, moral, and psychological integrity of kidnapped people who are still missing as of today.

Revolution or Death! We will win!

Modesto Ramirez Central Front, Guazapa Hill sector, Cinquera area. [Signed] Commander Chano Guevara

FDR-FMLN COMMUNIQUE ON PARTICIPATION IN DIALOGUE

PA032254 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 3 Jan 86

[Communique read by FDR Vice President Eduardo Calles in San Jose, Costa Rica; no date given -- live or recorded]

[Text] I will now read an FDR-FMLN press communique for our people's information.

The FDR-FMLN have closely followed the initiatives undertaken by various popular sectors to participate in the negotiated political solution of the conflict. This has been demonstrated by the forums held by diverse social, political, and cultural forces. Meanwhile, Mr Antonio Morales Ehrlich, on behalf of the PDC [Christian Democratic Party], on a television program on Channel 10 on 13 December, tried to deny this reality, not only disregarding the agreements that have emerged from these broad social sectors, but threatening participants and accusing them of being used by the guerrillas.

In response to these events, the FDR and the FMLN made the following appraisals:

1. Mr Morales Ehrlich's statements violate the La Palma agreements because at that meeting the government and our fronts agreed on promoting the incorporation of all sectors of national life into the dialogue process.

2. The PDC's attitude joins the negative actions by Duarte's government of not allowing the FDR-FMLN delegation to enter the country to participate in the forum for dialogue and peace sponsored by the University of El Salvador and the open violation of the Christmas truce requested by the church and accepted by our fronts.

3. The forums held during 1985 are the product of great popular interest in dialogue, negotiations, and peace. They seek the creation of an atmosphere that will promote the dialogue process initiated in La Palma and virtually broken by the initiative of Duarte's government.

4. This interest in dialogue and negotiation is shared by the international community, as the UN General Assembly, with 100 votes in favor, at the end of 1985 approved a resolution that in its seventh point states that the government and opposition forces are urged -- as agreed upon at the La Palma meeting -- to establish as soon as possible the mechanisms they may consider necessary to study the statements and proposals presented by both sides, and incorporate all sectors of national life in the search for peace. Taking these opinions into consideration, the FDR and FMLN report:

A. The demands made by these sectors seeking active incorporation into the dialogue and negotiation process force the two sides in contention to adopt a serious and conscientious attitude in favor of the reinitiation of the talks. This attitude would be completely at variance with that expressed by the PDC on the program mentioned earlier.

B. We sent a letter to the director of television Channel 10, dated 20 December, requesting a space on the Dialogue and Peace program so that representatives from both fronts could participate and directly address our people.

C. We urge all of the social and political sectors in the country to make public statements and actively contribute to the reinitiation of the dialogue and peace process.

FDR Vice President Comments

PA040035 San Salvador Radio Cadena Sonora in Spanish 1200 GMT 3 Jan 86

[Interview with FDR Vice President Eduardo Calles in Costa Rica by unidentified Radio Cadena Sonora announcer in San Salvador -- live or recorded]

[Text] [Announcer] Engineer, you say that you are willing to continue the dialogue process. Do you have any concrete proposal so that a date for the dialogue can be established?

[Calles] We have not exhausted our initiatives in this regard. We have made several proposals to the government and we recently sent a very important and serious proposal. Unfortunately, I cannot make a direct reference to the proposal at this time because this channel is private [words indistinct], but we must say that we will not rest because we have not exhausted all of the possibilities of reinitiating the process. We are trying to secure viable and serious initiatives with this goal in mind.

Duarte Says Dialogue 'Open'

PA050432 San Salvador Canal Doce Television in Spanish 0300 GMT 4 Jan 86

[Text] President Duarte has said that his government is willing to talk with the guerrilla groups as long as the Constitution is not violated.

[Begin recording] [Reporter Ivonne Chavez] At a meeting at the presidential residence, newsmen approached President Duarte asking him about the country's political life.

[Unidentified reporter] It is said, Engineer, that in a message they issued, the guerrillas spoke about the scope of the anti-aircraft defense they will have to sustain. It is said that in the past the famous SAM-7 missiles were spoken about a great deal and it was also said that the guerrillas did not have them, but the contras have them now and this time it looks as if they may use them here in the country. Do you believe this will happen?

[Duarte] Look, as far as I know, newsman Roberto Block received information in Mexico directly from the guerrilla commanders a little over 1 year ago, saying that they had SAM-7s. Months later, it was also reported that the contras had SAM-7s. Therefore, it would not be at all strange if the guerrillas had them. It would mean another escalation in the guerrilla process, and this obviously demonstrates their intelligence and the costs entailed because the government does not have this type of weapon, which is quite sophisticated and expensive. The same thing happened some years ago with the Chinese missiles, and before this it happened with the cannons, and before this it happened with the special rifles with telescopic viewfinders. All in all, the guerrillas have been receiving international aid from Russia, Cuba, and other countries to initiate a military escalation, in view of the fact that they have lost -- as I said at the beginning -- the initiative in every [words indistinct].

[Reporter] Is there any hope, Mr President, that the dialogue will resume this year?

[Duarte] As far as I am concerned, the dialogue is open. I am willing to talk to them, but this time with an absolutely indispensable condition: That we sit down to talk about peace and not war, that we sit down to discuss what we can do for the people and not what we are going to share. My position is that I cannot stray from the constitutional framework, that I cannot stray from the mandate the people have bestowed on me, which is exactly what they want. They want to destroy the Constitution, the people's mandate, and democracy, and this is what I am not willing to accept. Therefore, I am open to a dialogue at any time to discuss the aspects of peace, the humanization of the conflict, and the democratic process.

[Reporter] The church is mediating and the guerrillas are willing to talk. Why has there been no understanding, no rapprochement, no meeting in the near future?

[Duarte] I believe this is where there is a mistake. The church wants to humanize the conflict, the church wants the country's democratization, the church has stated its position of seeking peace through the dialogue, but the leftists' statements have been quite the contrary. They state 21 points and most of them deal with the Army's destruction, the destruction of the government, the formation of a new government, the merging of the guerrillas and the Armed Forces in a single [word indistinct], totally breaking up the entire system established under the convictions of the president of the Republic.

[Reporter] There is another issue, Mr President, regarding the country's economy. There is talk about the 1986 tax package which is said to include a series of taxes and measures, including an increase in the price of gasoline. Is there any truth to this?

[Duarte] I am going to give a speech -- at the right time, of course -- regarding all of the economic measures that must be adopted in the country. However, to state it simply, I believe that we must open a life insurance policy, insurance on democracy in this country. To do this we must all pay the monthly premium of a life insurance policy.

[Chavez] There were topics the president declined to comment on, saying that at the proper moment he would make an official speech. [end recording]

GUATEMALA

RESIDENTS COMPLAIN U.S. EMBASSY BLOCKING STREETS

PA040404 Guatemala City EL GRAFICO in Spanish 3 Jan 86 p 3

[Text] Residents of Guatemala City have again expressed their displeasure over the U.S. Embassy's insistence on blocking 7th and A Streets on Reforma Avenue, which does not allow for the free movement of traffic.

So far, no one knows who authorized the U.S. Embassy to block the streets surrounding the embassy to prevent the passage of any type of vehicle, although a memorandum sent to the municipality of the capital city was inexplicably rerouted to traffic authorities.

People who live near the diplomatic headquarters have again expressed their displeasure and fear because on 24 December there was an incident; several private police agents guarding the embassy fired at a vehicle that tried to enter 7th Street, alarming residents in the area.

Residents explained that despite their reports, it is still not known who authorized the blocking of the streets, and authorities have done nothing to resolve the problem. The days are passing by and there are no competent authorities to explain the lack of respect shown by a foreign embassy that closes streets as if they were the territory of another nation, the residents of the area said.

HONDURAS

NICARAGUAN SOLDIERS KIDNAP PEASANTS, STEAL CATTLE

PA050257 Panama City ACAN in Spanish 2215 GMT 4 Jan 86

[Text] Tegucigalpa, 4 Jan (ACAN-EFE) -- Sandinist People's Army [EPS] soldiers entered Honduran territory, kidnapped several peasants, and stole cattle, Honduran military sources reported today.

Referring to a report carried by a local radio network, a military source confirmed two Sandinist military incursions into the area known as Las Supas, Las Vegas locality, in the border department of El Paraiso. The station reported that eight Sandinist soldiers arrived at the house of peasant Victor Izaguirre, kidnapped Jose Fsteban, Jose de la Paz, and Martin Lopez Ramos, and took them to Nicaragua.

The same sources said that on Thursday, 30 other EPS soldiers dressed in light brown uniforms and carrying AK-47 rifles captured seven Honduran peasants in the same area of Las Supas. The Sandinists took photographs of the peasants and questioned them about the number and location of Honduran troops in the area.

According to the reports, the same Nicaraguan group detained farmer Simeon Carcamo and stole a cow, a .22-caliber pistol, and a wristwatch from him.

The Sandinist soldiers then attacked Assistant Mayor Samuel Gonzalez near the town of Arenales Abajo and stole 17 cows and 6 mules belonging to him. Military sources said that these developments have been reported to officials of the Honduran Foreign Affairs Secretariat in order for the necessary steps to be taken to retrieve the kidnapped peasants and the stolen cattle.

GOVERNMENT COMMUNIQUE ON U.S. LOAN POSITION

PA031520 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 3 Jan 86

["Communique" issued by Honduran Government on 2 January]

[Text] The government of the Republic, in relation to the latest note of U.S. Ambassador John Ferch, dated 20 December 1985, which was addressed to Secretary of the Presidency Ubodoro Arriaga Iraheta, once again wishes to reaffirm before the Honduran people that the Honduran Government has fully complied with the two conditions contained in amendment Number 1 to the previously signed agreement between the Honduran Government and the Agency for International Development, AID. Therefore, the $50 million which is pending should have been received in October 1985.

The ambassador's note expresses that in order for the measures already adopted by the Central Bank of Honduras to be recognized they must be formalized through the appropriate mechanisms; that is, through a formal resolution by the board of directors of the Central Bank of Honduras.

The government reiterates that as to the flexibility of the international payments system, the proportion of the transaction covered by the mechanism to finance imports has been changed from 4.2 percent of the total imports during the period of January to October 1984, to 11.3 percent during the same period in 1985.

The above results are consistent with the policy of economic adjustments developed by the government of the Republic.

In order that every citizen may clearly understand the language contained in the note of the ambassador, the government of the Republic explains that the objective is institutionalization of the parallel capital market as a prior step to the eventual devaluation of our currency.

The government considers that such an action would be negative for the majority of the Honduran people, just as has happened recently in Guatemala, Costa Rica, Mexico, and other nations of the region, which have not been able, through the establishment of the parallel market, or through a devaluation, to solve their economic problems. On the contrary, the result achieved has been a drop in the real income of their respective peoples, thus undermining their general welfare.

Therefore, the government of the Republic reiterates that from the beginning of the present mandate, a formal commitment was reached with the Honduran people to preserve their currency's external value, a commitment that will be upheld at all costs.

ECONOMIC RELATIONS WITH U.S. TERMED 'DETERIORATED'

PA031545 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 2 Jan 86

[Excerpts] Attention to the following report: Honduran-U.S. economic relations have reportedly deteriorated. We repeat: The economic relations between the United States and our country have reportedly deteriorated. This report is based on an exchange of notes between U.S. Ambassador to Honduras John Ferch and Ubodoro Arriaga Iraheta, the Honduran secretary of state for the presidency.

In his note, the U.S. ambassador informed the Honduran Government that Honduras must comply with certain conditions imposed by Washington in order to receive $50 million. Meanwhile, the Honduran secretary of the presidency has replied that any negotiation on this disbursement is useless and extemporaneous, adding that Honduras will seek aid from other friendly governments.

We repeat: U.S.-Honduran relations have reportedly deteriorated. Milton Mateo has this report:

[Begin recording] The measures adopted by the Honduran Government in order to receive a pending $50 million disbursement from AID as part of a previous agreement do not meet the requirements established by Washington. The Honduran measures should be taken through formal resolutions issued by the Central Bank, said U.S. Ambassador to Honduras John Ferch in a note sent to Secretary of the Presidency Ubodoro Arriaga Iraheta who in turn replied that the Honduran Government officially considers any negotiation between the parties on this matter useless and extemporaneous. We will now read the text of the notes, which clearly reflect a deterioration in the economic relations between Honduras and the United States. The latter has exerted pressure on international organizations to freeze other credits for our country.

Meanwhile, Secretary of the Presidency Ubodoro Arriaga Iraheta replied to the U.S. Ambassador's note on 30 December as follows:

His Excellency Mr Ambassador:

I refer to your note dated 20 December and to other related aspects discussed personally with U.S. Embassy adviser Shepard Lowman on 24 and 27 December. In this regard, I must inform you that following the instructions of President Roberto Suazo Cordova, I met with the Honduran economy secretary and the president of the Central Bank. Regarding the $50 million pending disbursement as part of a credit agreement signed in Washington by President Roberto Suazo Cordova in May of this year, we believe that it should have been received in October as scheduled and agreed upon, following compliance with the requirements and conditions that in the opinion of the Honduran ad hoc commission have been fully met.

Consequently, I must inform you that the Honduran official decision is that any discussions of the matter at this stage would be useless and extemporaneous because we are about to transfer the government responsibilities to a new administration. We will continue to do our work with our own resources and within our possibilities, or with aid from other friendly countries during the remainder of President Roberto Suazo Cordova's constitutional term, although negotiations may continue between AID and the new government.

Sincerely,

[Signed] Ubodoro Arriaga Iraheta, secretary of the presidency

NICARAGUA

FOREIGN MINISTRY ANSWERS COLOMBIAN PROTEST NOTE

PA042143 Managua Radio Sandino in Spanish 1930 GMT 4 Jan 86

[Text] This afternoon, the Foreign Ministry answered a note from the Colombian Government requesting that the Nicaraguan Government give an explanation on the origin of some arms found at the Bogota Palace of Justice after a guerrilla takeover last November. The Nicaraguan Government's response was the following:

Your Excellency Augusto Ramirez Ocampo, Foreign Minister of the Republic of Colombia

Mr Minister:

I address Your Excellency in reference to your note dated 2 January regarding the regrettable incidents at the Palace of Justice in Bogota on 6 November 1985. Your Excellency is requesting an explanation as to the origins of certain arms which, according to what you expressed in your note, were found at the Palace of Justice and also on the false information reported in newspapers regarding the celebration of a mass in Managua, the nature of which has been totally distorted.

Regarding the Belgian-made rifles which, according to your note, were found at the Palace, and which were provided by a third country during the struggle against the Somozist dictatorship, I must inform Your Excellency that of the arms sent for Nicaragua's liberation, only one-third came into the hands of the FSLN. The Nicaraguan Government, up until this moment, does not know the whereabouts of the rest of the war materiel that supposedly should have been received by our fighters because of the participation of different intermediaries.

In regard to the M-16, AL, and Galil assault rifles that supposedly belonged to the former Somozist guard, I must inform Your Excellency that at the moment of the triumph of the Sandinist revolution, many Somozist guards fled to Honduras taking their equipment with them, including their arms. It is a well known fact that there was and is intense arms traffic in this neighboring country, and this is why the Nicaraguan Government feels that it cannot be held responsible for the whereabouts of rifles that belonged to the former Somozist guard.

Regarding the mass you mentioned in your note, I must explain that it was held to honor the memory of Enrique Smith, minister of telecommunications and postal services, on the first anniversary of his murder at the hands of terrorists financed and directed by the U.S. Government. Commander Tomas Borge attended this eucharistic celebration representing the government.

In conclusion, we clearly and categorically reiterate that Nicaragua has absolutely no type of influence over Colombia's internal affairs and much less on the tragic events at the Palace of Justice. We respect international law and we are convinced that only through the strictest observance of its regulations and principles will international peace and security be ensured.

On the contrary, the superpower that tries to discredit us to justify "its aggression" flees from justice and publicly proclaims its right to impose its will by force.

Nicaragua will always make the greatest effort to strengthen the friendly relations that exist between our governments, also recognizing the efforts that your illustrious government is making in favor of peace in Central America within the Contadora Group process.

I take advantage of this opportunity to reiterate to Your Excellency my highest regard.

[Signed] Miguel D'Escoto Brockman, Minister of Foreign Affairs of the Republic of Nicaragua

PROTEST NOTE SENT TO HONDURAS OVER BORDER INCIDENT

PA312133 Managua Domestic Service in Spanish 2039 GMT 31 Dec 85

[Protest note sent by the Nicaraguan Government to the Honduran Government; issued in Managua -- read by unidentified person]

[Text] To His Excellency Edgardo Paz Barnica, Honduran Foreign Secretary:

Mr Secretary:

I address Your Excellency to denounce the following incidents:

Yesterday, 30 December, troops of the Cristobal Vanegas Battalion of the Sandinist People's Army who were in Nicaraguan territory near the border, 1 km from Wamblan, were harrassed by Honduran Army troops. This attack, in addition to the 28 December incident which merited a strong protest note issued by me yesterday, confirms the charges made on 30 December 1985 by Defense Minister Commander of the Revolution Humberto Ortega Saavedra that the U.S. Government will continue to promote the creation of border conflicts between the two countries aimed at increasing tension between Honduras and Nicaragua, thereby facilitating its interventionist policy against Nicaragua.

In presenting its most formal and strong protest in view of this new attack, the Nicaraguan Government urges the Honduran Government to reflect on this matter and that these acts of aggression denounced at the end of this year will not represent the beginning of a new year characterized by tension and border conflicts. Therefore, Nicaragua calls on the Honduran Government to put forth its best efforts to stop future actions, such as the above-mentioned, and prevent its territory from being used to worsen the Central American crisis, hinder the political and negotiated solutions for the prevailing conflicts, and remove the possibilities of building the worthy and just peace that the Central American peoples aspire to. I reiterate the assurances of my consideration,

[Signed] Miguel D'Escoto Brockman, Nicaraguan Foreign Minister

GUATEMALA TO GUARANTEE INAUGURATION PROTECTION

PA060105 Managua International Service in Spanish 0000 GMT 5 Jan 86

[Text] The Guatemalan Government has asserted that it will guarantee protection for all those who attend the inauguration of Guatemalan President-elect Vinicio Cerezo. This comes in response to the terrorist group called the Secret Anticommunist Army that threatened President and Commander of the Revolution Daniel Ortega Saavedra a few days ago.

In statement to ANN, Orlando Rojas, Nicaraguan ambassador to Guatemala, said that General Oscar Mejia Victores, the government ministry, and the director of the national police immediately made statements asserting that they have full control of terrorist organizations.

NEWS MEDIA DIRECTORATE ON RADIO CATOLICA CLOSURE

PA052244 Managua Radio Sandino in Spanish 1200 GMT 4 Jan 86

[Text] In a communique released last night, the News Media Directorate announced its position regarding the case of Radio Catolica and mentioned this radio station's violation of various articles of the News Media Directorate's general law. The communique also said that the radio station systematically altered its programs without first advising the directorate, and broadcast information against the Patriotic Ministry Service, SMP, thus attacking national defense. The communique also said that, finally, despite talks with the radio station's director and manager, in which they were asked to refrain from placing themselves outside the law through their violation of legislation in force, the radio station was sanctioned in fulfillment of Article 42, which deals with the provisional regulation of the news media. A News Media Directorate official now will recount the violations that have amply justified the decision to close this radio station.

[Begin unidentified speaker recording] These are the violations which Radio Catolica has incurred again and again.

1. On 12, 20, 25, and 29 September 1985, the station broadcast live without prior authorization by the News Media Directorate, thus disobeying orders of the directorate as authorized by the national emergency law, according to which prior permission must be secured from the directorate for any live broadcast.

2. Systematically, Radio Catolica has altered its programs without first advising the directorate.

3. On 10 and 16 October 1985, the radio station violated Chapter 3, Article 16, Paragraph 2 of the news media general law by not commencing its broadcast at the appointed time.

4. On 3 October, the station violated Article 3, Paragraph E of the general provisional law for news media and Article 1, Paragraph K of the amendment to the general news media law and its bylaws by broadcasting information against the SMP and, consequently, attacking the national defense.

5. On 21 November, the station violated the directorate's orders by broadcasting material not authorized by the directorate.

6. On 10 October and 2 and 31 December, the radio station violated Chapter 4, Article (?77), Paragraph D of the general law on news media and Chapter 4, Article 42, Paragraph 2 of the general provisional law on news media.

Despite conversations with Radio Catolica's director and manager during which several appeals were made for them to refrain from placing themselves outside the law through their violations of the legislation in force, the News Media Directorate proceeded to sanction Radio Catolica considering the seriousness of the violations. The sanction was applied according to Article 42 of the general provisional law on news media which states:

Article 42: This law will be violated when:

1. Articles 2 and 3 of the general law on news media are not obeyed.

2. National interest services provided for by law and this regulation are not rendered.

3. A radio station operates with a power rating other than that assigned, without authorization of the Permits and Licenses Department.

4. Article 9 of the general law on news media and Article 14 of this bylaw was disobeyed, as well as the amendment on Article 46 of this same bylaw of 25 April 1981, which is as follows:

Article 46. The repeated violation of sections I, II, III, and IV of Article 42 could entail the temporary suspension, for a period to be determined by the appropriate authorities, of the station broadcasts and the revocation of the license or permit by the News Media Directorate without detriment of the revision of the resolution by the permanent council for which the procedure outlined in Article 11 of the general news media law will be followed.

[Dated] Managua, 3 January 1986 [end recording]

Radio Sandino on Closure

PA052147 Managua Radio Sandino in Spanish 1200 GMT 4 Jan 86

["Analysis of Misinformation" by Onofre Guevara]

[Text] On 31 December, Radio Catolica refused to broadcast the message delivered by the president of the Republic.

For this reason, the radio station was closed. However, this was not the first time that Radio Catolica did something like this, thereby violating the temporary communication media law with no right or reason to do so other than having a religious name and being under the supervision of the Catholic hierarchy.

Two reasons, but no justification. That radio station had never been an exclusively Christian communications media, but was also a commercial and misinformed station. But what is worse, it also broadcast counterrevolutionary messages. We will prove this.

In its 3 August 1985 edition, NICARAGUA HOY, a small counterrevolutionary newspaper directed by Pedro Chamorro Barrios, which is circulated abroad as a supplement in several newspapers linked to the CIA, published the words to a song dedicated to Cardinal Obando y Bravo. This song was written by counterrevolutionaries. The song is an alleged greeting from the Nicaraguan people who say that: We, who are struggling to return, ask for your prayers and for you to encourage our faith. Always under the sign of the cross. Well, the musical message of the contras who, according to the words of the song, are struggling to return, was played on Radio Catolica as many times as they wanted to.

This proves to us that:

1. That they violated the country's laws on several occasions.

2. That the message was clearly counterrevolutionary and disrespectful of the laws of the country and the feelings of the Nicaraguan families who had lost loved ones murdered by the contras.

3. That this activity was not of a religious but rather of a political nature.

Having recalled only one of many similar cases, let us consider the misinformation from abroad regarding the penalty against the so-called Radio Catolica. An ACAN-EFE wire dated 3 January 1986 reports the opinion of Bismarck Carballo, Radio Catolica director, which has given rise to all the misinformation against Nicaragua abroad. The report goes like this: "We do not discard the idea that the closing of Radio Catolica is related to the conflict in relations between the church and the government."

And how does the misinformation abroad describe this conflicting situation? In the first place, they have said that this conflict has been originated by the Sandinists' persecution against the church. We do not have to deny this because all in Nicaragua can attest to its falseness. We will keep in mind, however, that this radio station had been broadcasting the contras' musical message since the middle of last year. Nevertheless, no one was persecuted for this. Even if this radio station had been sanctioned at that time, the station was not the church and broadcast messages other than the church's.

In the second place, the country's laws are to be obeyed by all citizens and organizations regardless of their religious faith. This is so true and recognized that the Nicaraguan Christian radio station Ondas de Luz has never encountered any obstacles in its activities because it really has a religious and cultural message and not a political, much less a counterrevolutionary, message.

Conclusion: The only conflict has been created by those who violate the state's laws and disobey the government's orders. The closing of Carballo's commercial radio station is not a political sanction: Nevertheless, we will have new versions of the an anti-Nicaraguan campaign abroad under the pretext of our having sanctioned the provocative activities of Radio Catolica. We still do not know the purposes for which this radio station insisted in violating the law, nor do we know the political intentions behind its programs. We are sure, however, of one thing: Many messages were heard from this radio station, yet God's voice was seldom heard.

Monsignor Carballo Comments

PA030402 San Jose Radio Impacto in Spanish 1830 GMT 2 Jan 86

[Text] Radio Catolica of Nicaragua, managed by the archdiocese of Managua, was closed on Wednesday night upon orders from the Sandinist regime on the pretext that the station did not respect the instructions issued by the press censorship department, to broadcast Commander Daniel Ortega's New Year message on 31 December.

According to the report from the News Media Directorate, Radio Catolica was notified that it must join the national network led by the official station, Voz de Nicaragua, to broadcast Ortega's message.

Radio Catolica Director Monsignor Bismarck Carballo summarized their current situation to Impacto Newscast as follows:

[Begin Carballo recording] Well, the resolution sent by the Interior Ministry's News Media Directorate argues that we did not join the national network on 31 December at 1800 for the Nicaraguan Government's message. We have met with the radio station's workers and they admitted, with a very Christian attitude of self-criticism, that the station did not join the network due to a human error. The radio station's directorate advised the workers about the national network according to the Interior Ministry's note. This has been done 365 days a year for over 5 years and we had no reason not to do it, based on the state of emergency provisions. However, a human error by the man in charge of the main control has prompted the unjust and unwarranted measure of closing Radio Catolica. [end recording]

Monsignor Bismarck Caballo also said the resolution indicates that Radio Catolica is being closed without specifying for how long. He said that he has requested a meeting with Melba Blandon, head of the press censorship department, in order to clarify the situation. Monsignor Carballo likewise said that this is a critical situation because the closure of Radio Catolica and the confiscation of the church's printing office in October has turned the Catholic Church into a church of silence. Lastly, the Radio Catolica director issued a call to all the Central American churches and pastors to unite and state their solidarity with the Nicaraguan church, which is again a victim of the Sandinist regime's repression.

Appeal Sent to Ortega

PA052106 Managua Radio Sandino in Spanish 1300 GMT 5 Jan 86

[Text] The Nicaraguan Episcopal Conference yesterday sent a letter to President Commander of the Revolution Daniel Ortega Saavedra admitting that it did violate the provincial law on the media when Radio Catolica did not join a national network to broadcast the presidential New Year's message on 31 December.

In the letter, the Catholic prelates ask Commander Ortega to intervene in a valuable way for a reconsideration of the resolution closing the radio station that because of carelessness, they say, they did not join the network to broadcast the government's message.

The ten bishops who comprise the Episcopal Conference state that they are very concerned with the resolution issued by the Office of the Media Directorate because it deprives the church of this radio communication.

A reconsideration of the resolution would contribute to preventing a deterioration of church-state relations, the letter of the Episcopal Conference to Commander Daniel Ortega adds. However, it should be recalled that the day that President Daniel Ortega delivered the message in Pancasan, the Catholic Church had been transmitting a song that is well-known in that radio station, which we call the radio of the ecclesiastical tribunal. This is a song dedicated to Cardinal Miguel [Obando y Bravo]. It is a song with an evident counterrevolutionary essence not only because it was recorded in Miami but also because it specifically refers to those who are out of the country -- an open reference to the counterrevolutionaries who are in Miami and for whom Cardinal Obando said mass.

All this has political connotations. I think this is evident, and the people have been able to hear this. The explanation that the Interior Ministry has been given on the closing of the radio station of the Managua ecclesiastical tribunal is very clear.

Obando y Bravo Protests Actions

PA050446 Panama City LA PRENSA (NICARAGUA HOY supplement 7 Dec pp 1, 2C) in Spanish 3 Jan 86

[Text] The Sandinist government, the enemy of dialogue and harmony among the members of the Nicaraguan family, has deepened the growing religious persecution in the country with its continued increase of restrictions to control the movements of Cardinal Miguel Obando y Bravo in the interior of the country and by intimidating the clergy and nuns in what could be called an open state-church confrontation.

This was made obvious in the recent statements made by Cardinal Obando y Bravo during the extraordinary synod held at Vatican City.

The rejection of foreign clergymen's immigration documents, the intimidation they are subjected to force them to moderate the tone of their messages, and the requirements made of priests who are subjected to fingerprinting and frontal and profile photographs are part of this campaign against the Catholic Church, Obando y Bravo said in Rome.

Censorship prior to homilies and the obligatory draft for seminarians are part of the confrontation which is really an attack on the will and faith of the entire Nicaraguan people, the majority of whom are Catholics.

Everything seems to point to the fact that the Managua Marxist regime is trying to drown the church's voice once and for all, and that of its illustrious pastor, Cardinal Miguel Obando y Bravo, the untiring promoter of a dialogue between the Nicaraguans which will end the civil war that is now draining Nicaragua.

LA PRENSA CODIRECTOR THREATENED WITH JAIL

PA051629 Panama City LA PRENSA (NICARAGUA HOY supplement 7 Dec 85 pp 1, 2C) in Spanish 3 Jan 86

[Excerpt] Managua -- The daily newspaper LA PRENSA was not published on 2 December to protest Captain Melba Blandon, head of the Interior Ministry's media directorate, censuring of the writ for protection that was filed by LA PRENSA codirector Jaime Chamorro Cardenal to avoid being sent to jail.

With legal assistance from Manuel Gutierrez Hurtado, Chamorro Cardenal filed for protection at the criminal chamber of the appellate court of the Managua region after Blandon threatened to jail him in a letter she sent him on 27 November.

Although the newspaper has been subjected to brutal censorship ever since March of 1982, this is the most serious difficulty faced by the members of LA PRENSA's board of directors in 4 years of hardships under the Sandinist regime.

The press censorship in Nicaragua is such that even the pro-Sandinist Association of Newsmen of Nicaragua has sometimes described it as "ridiculous" and has asked the Sandinist government to relax it. However, Blandon is not only persecuting the LA PRENSA directors because of what is censored but because copies of the censored material are being published abroad.

In her threatening letter, Blandon accused Chamorro Cardenal of having made copies of military reports on the rebel attacks on Santo Domingo and Cara de Mono and a naval incident involving Nicaraguan and Honduran vessels.

In a news conference on 2 December, Chamorro Cardenal stressed that the three referenced reports corresponded to dispatches sent by the news agencies AP, UPI, and ANSA and said that no crime could be claimed for the publication abroad as this is precisely the objective of foreign correspondents.

In his statements during the news conference of 2 December, Chamorro Cardenal said: "LA PRENSA wishes to point out to the world and particularly to the persons and institutions that have closely watched its long struggle for freedom of expression in Nicaragua, that it is currently being subjected to new pressures and threats with the clear intention of discouraging its editors and making them live under fear."

"Upon the enactment of the special state of emergency on 15 October, the Media Directorate of the Interior Ministry stepped up its measures against LA PRENSA, imposing more limitations and going so far as to threaten members of its Board of Directors with actions that could mean jailing them."

All this, he added, leads us to clearly perceive that Capt Blandon is trying to impose even worse limitations on LA PRENSA and to deprive it of the right to give to foreign correspondents material that she censors, which right cannot be denied to a censored news media in even the severest of circumstances.

"The worst part of this matter is that Capt Blandon, without any legal basis and stepping outside the realm of her duties, has gone so far as to threaten the newspaper's directors with processes against them and with jailing them on the basis of charges which have been trumped up and exaggerated by her pursuant to provisions that are beyond the scope of her authority."

REPORT ON CASTRO ANPP CLOSING SPEECH TELEVISED

FL030301 Havana Television Service in Spanish 0130 GMT 3 Jan 86

[Report on speech by Cuban President Fidel Castro at the closing session of the ninth session of the National Assembly of the People's Government [ANPP], held at Havana's Palace of Conventions on 28 December 1985; read by television announcer Carlos Massola -- passages within quotation marks recorded]

[Text] On 27 and 28 December 1985, the ninth ANPP session was held at Havana's Palace of Conventions. We are now going to bring you a version of the speech made by commander in chief Fidel Castro during the closing session.

"I am sure we will make a great effort next year and in each of the coming years, but I feel certain that next year and the coming 5-year period will also be successful."

Commander in Chief Fidel Castro, first secretary of the party Central Committee and president of the Councils of State and Ministers, spoke thus in closing the ninth session of the National Assembly. In his 2 and 1/2 hour speech, Fidel expressed a series of reflections and impressions of the work done in our country in 1985, and of other international matters he had recently discussed at the plenary meeting of the party's Central Committee.

"I wanted to share these thoughts with you, this optimism, and this personal satisfaction with which we are going to receive the new year and the 27th anniversary of the triumph of the revolution."

He said that 1985 has been a year of great effort and enormous work for all the leaders of the party, state, and cadres, and of great work and effort by the entire people, the results of which are visible.

"Always, during the years of the revolution, some years have been better than others, one period has been better than another, and naturally we have accumulated a lot of experience. Nearly 27 years have not passed in vain. We now have a lot more experience, maturity, and greater objectivity in the cadres. Better methods, better organization, better concepts. Really, this year 1985 has seen a leap in the quality of the work of the party and state, which can be measured by the increase in efficiency.

Our commander in chief referred to the proposals made more than 1 year ago at the energy forum concerning the measures that should be taken with firmness and constancy in the economic sector, placing emphasis on the activities that tend to resolve chronic problems of the country's economy, which are those of all the underdeveloped countries, although Cuba has the advantage of having close ties and excellent relations with the socialist community of nations. On this subject, Fidel said the starting point is the premise that we should be able to confront the consequences of the economic crisis and, in addition, to project development for the medium range that will free us of the difficulties we have been having in certain areas of the economy since the triumph of the revolution, and which will allow us to make optimum use of the resources that stem from those relations with the socialist nations. Fidel argued that those problems that will soon be solved that affect some aspects of the economy have their origin in the unequal exchange, in the decrease in prices, and in the looting to which the Third World countries are subjected by the developed capitalist countries, which, in our case, are influenced by the U.S. economic blockade of the United States, which is doing everything it can to keep us from exporting our products.

"It cannot be imagined to what degree the United States harasses us economically -- with agreements that are even effective to some degree, as for example its negotiating with countries such as France, Italy, Japan, and the FRG, all of which buy our nickel, to not import to the United States a single piece of machinery or a single ton of steel containing Cuban nickel. In consequence, they limit our exports of nickel."

Fidel said that what imperialism is doing to attempt to impede our economic progress is an obsessive mania, but imperialism's nervousness and disappointment are understandable because when a country can present the social achievements of our revolution and the economic progress of our revolution at a time of universal crisis, this makes the imperialists worry, get embittered and irritated, become obsessed, and go insane. After all, as their neighbors, and after they have made so many attempts to destroy us, it turns out that exactly the opposite of what they have imagined, is what is happening. Continuing on this subject, Fidel explained how they pursue every bit of information, cooperation, or resources we obtain in the field of medicine, saying that the blockade is not limited to medicines but that there are U.S. Government documents that state that it is against their interests for a physician to visit us or for there to be any exchange or for any Cuban physician or scientist to visit a U.S. hospital or scientific institution through the auspices of the WHO. The imperialists try to justify this inhuman policy by saying that, since Cuba has proposed becoming a medical power and everything in Cuba is political, whatever can contribute to our development in that field is political and prejudicial to the vital strategic interests of the United States.

"They are mistaken if they believe that our medical development is going to depend on them. Cooperation and the exchange of information is useful and of interest but our medical development is not based on information we receive from them, because there are already some fields in which we are competing with them in medical research. Our perspectives are based on the information we receive from the entire world in this field, and especially on the personnel we are training."

Returning to the original idea of the advantage our country has that other Latin American and Third World countries do not have, due to our economic relations with the socialist countries, he said this advantage should be used in the future and optimum use of all the resources we receive from that community is being studied. As examples of these relations, he cited the petroleum refinery being built in Cienfuegos, the nuclear powerhouse, the two nickel refineries, and other important industrial projects under construction.

"So we, both in the area of industry and agriculture, are carrying out very important development work that can guarantee our future in material matters."

He explained that we are seeking more solid and secure development in all fields, based on energy conservation and on the use of cheaper energy such as nuclear energy, for which reason when the thermoelectric powerhouses are completed almost all our future electrical development will be nuclear-electric. Speaking on this subject, Fidel said the production of petroleum is increasing and extraction activities are continuing; the use of cane bagasse produced by the sugar mills is being optimized; and greater efficiency is being sought not only in the boilers of the sugar mills but also in the general use of fuel. Investments are being made in that area to make better use of bagasse, not only as a fuel but also as a raw material to make wood, paper, and even foods.

Fidel also spoke of freely convertible currencies and the emphasis placed on increasing products to replace imports from the capitalist world and increase exports to it, and to acquire products or raw materials that cannot be obtained from the socialist

camp and that are indispensable to us. He also referred to the adoption of concrete measures to perfect the system for directing the planning of the economy, with greater participation by all sectors. He stressed the interesting experience of the creation of the central group, whose existence and methods are going to continue and be perfected, he said.

"For this reason, in the Central Committee we said 1985 was excellent from a subjective point of view. It was a year of much better work. This can be seen in some of the data of the economic plan, as for example the fact that the economy grew 4.8 percent and fuel consumption was less than in 1984, despite the fact that in 1984 there were marked savings over the year 1983."

He also said it was his understanding that less electricity was consumed despite an increase of 70,000 groups of consumers. He also said that a series of sectors had grown, that raw materials had been conserved, and that the goals drawn up in late 1984 were achieved in conservation, production, and exports.

He said problems had cropped up in some places, such as in the production of nickel, which were objective problems that had been inherited and were not due to poor performance by the workers.

With regard to the results of 1985, which he described as very good in every respect, he said the sugar harvest was excellent with high yields, that the sugar production plan had been met, and that exports had increased. He explained, nevertheless, that the year had had objective problems that were very unfavorable, including the fact that the price of sugar continued to drop more than expected, to less than 3 cents per pound, and that the price of other exports also dropped. It was also a very dry year, and the vegetable, rice, and pasture crops and the production of milk, beef, and cane for the coming harvest were all affected. Fidel gave detailed information on the drought, saying that although rainfall was 86 percent of the historical average, and this might make one think the drought had not been very intense, it did not rain during the first 6 months, and the distribution of rainfall was not normal in time.

With regard to these objective factors, he referred to the passage of hurricane Kate, which passed over eight provinces when the sugarcane was recovering from the drought and was ready for harvesting. With reference to his trip through the affected provinces, he said he had never seen cane so affected by the wind and that the damage was incalculable. He added that the number of houses affected was greater than the 60,000 originally reported and that 80,000 have been identified. The hurricane did not leave one banana tree standing, and thousands of agricultural and industrial installations lost their roofs. The greatest damage hurricane Kate did was to the sugarcane. He said the fact that a very high percentage of cane could not be machine harvested was a great worry, as was how to solve the problem of machine harvesting the crop.

He then said that because of all these factors he had said that 1985 was an excellent year from the point of view of the effort made by the entire people, the entire country.

"And nevertheless it has been an adverse year from the point of view of these factors that I have mentioned: the price of sugar and of petroleum, the problem of selling certain export products such as tobacco and others, drought, and above all hurricane Kate. But all this did not discourage the people. Everyone went to work with dignity and energy. The tens of thousands of persons affected saw that as always the socialist states came to their aid, made materials available at half price -- the materials were not a gift but were supplied at half price -- and provided credit to rebuild housing.

There are quite a few that have been rebuilt already. In just a few months, 5,000 houses have been rebuilt from the ground up. This heartens the people because they know this rapid response exists. In a few weeks, the 80,000 persons whose homes were affected in one way or another will have their homes repaired with the state paying for the other half of the cost of the materials. Once more the principle of socialist solidarity, or revolutionary solidarity, has been put into practice, no one has been without resources, and whoever needed a credit got it so he could make purchases."

All the provinces went to work to rebuild dairies, shops, inns, and storehouses; to take all the necessary measures, gathering up the hundreds of thousands of quintals of citrus fruits that had fallen from the trees; and to recover what could be recovered in the banana plantations and so reduce as much as possible the effects of the hurricane. He gave the example of the workers of the Camaguey tile factory, who made an extraordinary effort in a factory, the main machinery of which is 100 years old, and which factory is producing at 100 percent of capacity thanks to the untiring efforts of the workers, who raised the production first from 7,000 to 10,000 tiles then, with the aid of a similar factory, to 12,000 tiles daily.

Commander in Chief Fidel Castro explained other immediate measures that were taken to overcome the damages caused by the hurricane, such as the plans made in the fibercement industry. But there were problems for which there was no immediate solution, because almost the entire 1986 production of fibercement would be needed and this would hold up new construction. It was estimated that 10,000 tons of zinc were needed, and our reserve was less than 1,000 tons. And the demand for rice and bread on the parallel market was going to grow, for which reason several tens of millions of dollars would be needed to solve these problems.

He then stressed the spontaneous aid given by the USSR and the delivery of 100 percent of everything requested in response to its offer, including products and quantities already known to everyone. This was really very valuable and opportune aid, Fidel said.

Going on to another subject, our commander in chief spoke of the elaboration of the 1986 plan, in which all sectors and organizations participated -- a realistic, dense plan which is not an easy plan but which provides for growth of about 3.5 percent, which is less than in 1985.

"Despite the drought, the hurricane, all these problems, we propose to attain 3.5 percent economic growth and to continue to increase saving raw materials and fuels. This year it will be in a more controlled way. I believe this is really admirable in the midst of the international crisis and tragedies of other Third World countries."

Subsequently, he referred to the budget, noting that in 1986 the expenses are lower than planned for 1985, which is notable, he said, if one takes into consideration that investments, services, education expenses, health costs, and social security continue to grow. He asked: which country can say the same thing?

"The effort that has been made with the budget as a way of saving is notable and worthy of praise. Saving means a lot. We are paying more salaries than we should be paying. If there is no control, more money is printed because the economy cannot be balanced. So, savings in the budget play an important role. They create the habit of saving in all of us. We must save and act with an economic spirit.

"It is truly an encouraging indicator because in spite of all these efforts to save, the social development of the country continues, investments continue, housing maintenance and construction continues, and investments in communities continue.

We are working on completion of a certain waterworks for a certain community's sewer system. There are a large number of important social projects.

"In reality, when a country is able to plan a sustained period of growth and development, it is something ideal for any society. We have been maintaining that sustained growth over a period of years, even though we have not made such an efficient use of our possibilities and resources. But now we are achieving what could be called a more efficient use. We cannot take for granted what we have but, on the contrary, we must be aware of new possibilities to continue increasing our efficiency with our material and human resources for economic and social development. We must have a more rational development, a better prepared and perfect development."

He said the most reliable portion of our foundation for that development is our relations with the socialist community and the Soviet Union, which are also developing and gaining strength, firmness, mutual trust, and mutual consideration, and this was demonstrated once again with the recent hurricane. In that sense, he pointed out that great progress has been made in the coordination of plans with most of the socialist countries and, thus, a solid foundation exists to account for our actions to the people.

"Here are gathered the representatives of the nation, the provinces, the party, the state, the workers, and the masses. In that manner we can examine with great detail what we have done and the progress made."

Fidel also said it was encouraging to see at the Assembly the recognition made of the new style of work now in use and the hope everybody has to continue to advance in a sure path struggling for the country's efficiency and progress. He took up topics related to health, pointing out that a slight backward movement has been noted in the child mortality rate. But he added that we are not going to be discouraged because of it; we are going to struggle to lower it to below 15 for every 1,000 children in 1986.

Fidel spoke about the great possibilities noted in the field of medicine, citing examples such as the results of the family doctor program, which began with 10 in Havana 2 years ago. By the second year some 200 had joined in several other provinces, and in the third year we now have some 760 family doctors, including more than 30 on the Granma Mountains. He explained that in 1986 some 160 doctors will go to Guantanamo to service all of that province's mountains. These physicians will be mostly from Havana city; they have all volunteered. He added that such action is also an indication of the development of awareness, of the moral values of our youth. Fidel continued to expand on the topic and said that in 1987 all the eastern mountains will have family doctors, there where medical services are most inaccessible, where the highest child mortality rate as well as marriages of very young couples exist.

"I believe these doctors will play a very important role in guiding, educating the population, and advising the young people. We will surely see this in future statistics, after this huge contingent of doctors begins its work."

Fidel noted that more than 400,000 persons have already been cared for by these family doctors, and that in 1986 the figure will go as high as 1.5 million because the rate of doctors joining the service will never go below 1,500 per year. Subsequently, he spoke about the Carlos J Finlay medical sciences detachment, whose first class will graduate in 1988, which indicates that perhaps by the end of this century, 12 more years, all rural and urban areas will be covered with family doctors. And this colossal, new advance, Fidel explained, will solve many problems, among them reducing the number of patients visiting hospital emergency rooms because, according to first reports, patients visiting emergency rooms of the hospital assigned to them in the 10 October District was cut down to zero. Only emergency cases go here, he said.

Fidel referred to the recent examination of complaints dealing with health services in the capital and said they mainly dealt with clinical-surgical hospitals. He added that when this family doctor program is fully implemented, a colossal leap forward will be made in the medical services system in coming years.

The party first secretary requested that party comrades and those in the people's government pay special attention to these contingents of young doctors who have joined the program and those who might join in the future because, he said, I feel they are a really promising goal for the country.

Something else Fidel mentioned was the efforts being made with the hospitals, and in this respect he referred to the recent meeting he held in the capital -- where the problems are more difficult because of the large number of hospitals and institutions in it.

Elsewhere in his speech Fidel said the party has been working on this for many months because in August an increase in the population's complaints about hospital services was noted. Some of the problems were of an objective nature and were examined to seek a solution, but in general most were subjective problems, created by bad habits resulting from the lack of pressures, not because of the personnel's poor attitude. In reality, the commander in chief noted, the response we should give in the struggle to eradicate these bad habits and improve the operations of the hospitals has the approval of workers, physicians, technicians, nurses, nurse-aides, all of them.

He referred to the heroic effort taking place in some of these centers, citing the case of the national leprosarium and the hospital for the mentally handicapped. Fidel also spoke about the party's hard work in this sense in Havana City, and of the assembly meetings taking place in all hospitals, and he expressed his certainty that it will have great results. We propose that a crusade to raise the level of services be carried out, he said. I am sure we will achieve that goal, he stressed.

Fidel also referred to the improvement of education centers, beginning with the increase in the double session at primary schools, which he cited as an example. He added that teachers and professors should have greater experience, adding that in 1985 nearly 3,000 bachelors in primary education graduated, and there are tens of thousands studying in the program to apply computer training at the medium level in vocational schools, which are gradually being converted into preuniversities of exact sciences. He noted that this is already showing good results because in the recently held mathematics olympics Cuba won second place over all the Latin American countries.

Fidel also mentioned the results attained in sports and the training of physical education professors, noting that we will continue to be a superpower in sports and in developing sports, independent of whether we attend the olympic games because for us, Fidel stressed, the principles are more important than any olympic medals. He said that all amateur artistic groups must be developed; we must continue to work restlessly in the area of culture, improving television, radio, and film industry.

Speaking about the overwhelming housing problem, he said there is hope because of the big construction material factories that have been built and the united effort of the state and population itself. He also referred to the progress that will be made in research centers, citing as an example that when the genetic engineering and biotechnological center is completed on 1 July 1986 we will be among the seven most advanced countries in the world in this field. So we anticipate a great future in every aspect, he noted, and said that all this is more remarkable when considering that, together with the effort in production and services, an enormous effort has been made in defense, to which many hours have been devoted in recent years.

"All this has resulted in a multiplication of our defensive capability, and in the past 5 years I believe we have tripled our potential in forces, not in the number of cannons but in the number of citizens. In the quantitative aspect, we have tripled our capability. But I feel that in the qualitative aspect we have increased a hundredfold. I believe that we have created the conditions for guaranteeing defeat of an imperialist invasion of our fatherland with the new means -- the war of all the people -- with the training of all the people for this type of war, and with the readiness of the state, the country, and all our society, including the pioneers. In this effort, the comrades have uncovered possibilities that were more remote than can be imagined."

The party first secretary said all these elements are encouraging for our work, a reward for the work that has been carried out in recent years, a demonstration that revolutions do not grow old and cannot grow old, a demonstration that the work of the revolution never ends and can never end. He briefly referred to the different phases lived by our people, of their revolutionary spirit and political awareness, the latter achieved only second to the first. He referred to the beginning of the revolution when there was illiteracy, only 3,000 physicians, and very few university professors, and compared it with today's diametrically opposed situation, recalling the reports rendered by the provinces in that sense at the national assembly, which express what those territories used to lack and how much they have today in education, health, social security, industrial projects, and development in general.

The commander in chief also referred to the situation being lived by Cuba compared to that of some countries, including developed countries, and cited how much is paid for housing, for registration at the university, for sports events, and for bus fare, and referred to the material improvement of our people's living conditions. He mentioned some of the ideas brought up at the Central Committee meeting on how we can improve our effort to build socialism and, in this respect, he said capitalism cannot do what we can in education, health, and sciences.

Socialism's possibilities, he said, are limitless; capitalism cannot have them. Socialism is a really humane system where a man's problem is society's problem. No one is left out in the cold. Each of us has everyone's solidarity. That cannot exist in a capitalist society. Our regime is superior, he said. I see infinite possibilities in socialism. Referring to our elections and proletarian democracy, he said they are improving and we must continue to improve them. Of the recently held film festival, he said it was a great popular event and most valuable from the cultural and political viewpoint because it entails a struggle against the imperial hegemony of the transnationals in their attempt to colonize us culturally.

Referring to the manner in which we can improve our system by overcoming subjective factors, he mentioned the one dealing with the real development of human resources, beginning with the fact that in some places there is high productivity and yield with very few workers, and in others there are inflated payrolls, which is why there is a need for cutting back those structures and re-establishing the multiskill system to save in that way. In that sense, he cited the example of reserves or surpluses of teachers allowed to the Education Ministry, and he said it is an idea that has been very useful. It must be used in improving services, in raising the level of qualifications. He noted that this experience of paying the professional so he can study can also be applied to doctors.

[Words indistinct], because out of 100 with profound convictions there is a necessity of rationally using in the best way possible human resources because, on the contrary, it would be an irrational use of human resources."

In this respect, the commander in chief gave more details on his way of thinking, adding that it has been proved that efficiency is determined by the training of personnel at all levels, and repeated his view on the importance of training and requalifying the country's technical personnel. I believe, he said, that development requires the use

technology, and automation, and the solution of personnel surpluses cannot be found by inflating payrolls. The only way is to retrain them, raise their level of education, and get them ready for other jobs, Fidel added.

"I repeat that we must not make quick fixes in all places where there are difficulties. I propose that we ponder the problem. We must become aware of the problem, and we must calmly study the problem and undertake a path toward a goal that I am sure will give us a total superiority over the capitalist regime. Socialism is something new, I repeat, and we must contribute in some way to socialism with these experiences. I am sure that will be the result."

On this topic, the first party secretary said our contribution should not only be limited to fulfilling internationalist missions, but to making our socialism better. And perhaps the best contribution we can make to the revolutionary movement is to make our socialism better, which does not exclude fulfilling internationalist duties of another nature. Continuing on the same topic, he referred to the admiration of many visitors when they see in Cuba, despite all lies and campaigns against our country, our experiences in the field of health, schools in the countryside, and university faculties in all provinces.

"I am sure that [words indistinct] the capitalist system cannot be compared to our system. We have the duty of improving because this battle will be waged in the field of ideas. Which regime is useful? Which regime is useless? Which represents the new, progress, human brotherhood, and society's united strength? Which represents the past, divisionism, the struggle of man against man, and the struggle of wolves? In the end, socialism will prevail in this peaceful competition because of its results in all fields, its social, economic development, its political development, and its ideas."

The commander in chief cited other examples that contribute to the improvement of our system, such as ways in which tasks are being tackled in the economic field, the preparation of plans, solutions to the defense problems, which, he said, are novel and unquestionably useful methods. He said that the way in which the party, state, mass organizations, and Armed Forces have united in instrumenting all this structure is really novel and exemplary. He said we must use our imagination in everything, inasmuch as there is no lack of will, desire, spirit, patriotism, or enthusiasm, Fidel noted.

The first party secretary also said that a new youth -- a bearer of great qualities, having a strong, enthusiastic, and demanding spirit -- is being developed. Fidel devoted the last portion of his speech at the National Assembly to recalling the great battle our country has been waging against the Latin American foreign debt and Third World in this past year, referring to the formulas invented by the imperialists, such as the Baker Plan, to loan more money while the economic crisis increasingly aggravates.

"On this hemisphere the winds are blowing against imperialism. All objective factors oppose imperialism. They are facing insoluble problems. Attacking a country such as Nicaragua would really be a way of creating an explosive condition on the hemisphere. However, we do not want them to make that mistake. We hope they will not do it, but we are not sure they will not do it. I believe that we have many reasons and interests in facing up to the problem with greater experience than ever, with better organization, with greater maturity, with greater composure."

Fidel said our relations with Latin America are improving, that ties and unity among the Latin American peoples are developing, and that the crisis -- the greatest in the history of the hemisphere in his judgment -- will considerably contribute to political changes and to bringing together and uniting the Latin American peoples. Closing, Fidel Castro spoke about the preparations for the third party congress scheduled for February, the preparation of materials, the program draft that will be approved in a future meeting.

"It will be a good program which will include many of our experiences. It will be enriched with the contributions of party militants and the people in general. I believe we have the best conditions for the congress. It will be an opportune congress at an opportune time, and with promising results."[applause]

Dear viewers, we have brought to you the version of the speech made by the commander in chief at the closing session of the ninth ANPP regular meeting, which was published in the 30 December 1985 edition of the GRANMA daily.

U.S. TO PRESSURE MEXICO ON DEBT AT SUMMIT TALKS

FL031618 Havana Radio Progreso Network in Spanish 1200 GMT 3 Jan 86

[Station Commentary]

[Text] Today's meeting between the presidents of Mexico and the United States has captured international attention because of the certainty that, in addition to the announced discussion of bilateral economic problems, important political matters of the area will be brought up.

In the last few days, international press agency reports have noted the views of observers on this Mexican-U.S. summit.

Although there is no set agenda for the talks, economic issues -- especially those concerning the Mexican foreign debt -- are expected to be the most important subjects of discussions. According to observers, the Reagan administration is afraid that Mexico will adopt what Washington has called a hardline position on the debt issue, which could be emulated by other Latin American countries with similar problems. It is expected that the U.S. Government will also attempt to obtain Mexican support for the so-called Baker Plan.

Some sources have not hesitated in saying that the United States will take advantage of Mexico's economic problems in an attempt to make it change its position regarding Central America, which constantly irritates Washington.

At the OAS meeting held in Colombia, Mexico said that what is illegal in Central America cannot be called legitimate, clearly referring to hostile U.S. policies. Mexican Foreign Secretary Bernardo Sepulveda said at the meeting that destabilizing and subversive actions cannot be justified, alleging that this position protects its own security.

U.S. sources, such as the so-called Council on Hemispheric Affairs, commented on this by saying it would be a big mistake for the Reagan administration to pressure Mexico to change its position on Central America. They indicated that it may backfire on the U.S. government.

REPORTAGE ON VISIT OF PERUVIAN PRIME MINISTER

Views C. America, Debt

PY041328 Madrid EFE in Spanish 0920 GMT 3 Jan 86

[Text] Havana, 3 Jan (EFE) -- Peruvian Prime Minister Luis Alva Castro has noted the new cooperation process between his country and Cuba and stressed that in order to obtain the pacification of Central America "all must take their hands off Nicaragua."

The representative of Alan Garcia's administration ended his 5-day tour of Cuba with a press conference in which he announced the imminent arrival of the new Peruvian ambassador to Cuba, and the resumption of full diplomatic relations.

Alva Castro said his presence in Cuba was the result of his long time friendship with Fidel Castro, and that he was not on an official visit "but on a private visit, which is public because we have no secrets; we do not hide our friendship or our solidarity."

The Peruvian vice president, who arrived in Cuba accompanied by the fisheries minister and other high-ranking Peruvian officials of the economy and cooperation sectors, said his country will strengthen economic, scientific, and technical cooperation ties with Cuba.

Referring to the Cuban revolution, he said: "Although we may disagree, we cannot fail to recognize that this is a process that has obtained meaningful results in matters of health, education, nutrition, and productive employment."

Luis Alva Castro, who is also finance minister, reaffirmed his country's refusal to permit the IMF to mediate the renegotiation of the foreign debt. He termed the economic policy established by his ministry as appropriate, and said inflation has been reduced from 300 percent annually to "only" 3 percent, and the fiscal deficit from 9 or 10 percent to 1 percent.

He added that "economic sanctions, which might be a consequence of the Peruvian decision, would be the price of our liberty."

While in Cuba, the Peruvian delegation recieved information on the Cuban planning system, various aspects of the sugar sector, and industrial and nuclear energy projects.

The prime minister stated at the press conference that Peru will carry out "intense" compensated trade with Latin America so that the exchange of products will prevent "the use of our countries' scarce foreign currency."

Referring to the Central American problem, he said: "We have repeatedly shown our solidarity with Nicaragua." He added: "We believe so strongly in the need for all to take their hands off Nicaragua that we suggested the founding of a group to support Contadora and participate in setting one up."

Asked about the possibility of Spanish mediation to solve the conflict, he said: "Everything that supports and endorses peace in Central America must be welcomed. All efforts by Felipe Gonzalez in this respect, and the help he has given on many occasions to promote peace in Central America, must be welcomed by all of us."

Later, he stressed that"the rules have changed" regarding foreign capital, and that "the tax exemptions the previous administration so freely facilitated, thus providing excessive profits, are over."

Alva Castro supported the idea of a conference in Panama of presidents of the region, including Castro, on the foreign debt. He said that, in the present circumstances, the foreign debt cannot be paid.

In reply to another question, he said: "The main indication of solidarity by the Cuban Government is friendship. It is this friendship that we have come to cultivate and strengthen." Moreover, he said: "We have come to demonstrate also that we respect the free decision of the peoples about what type of society suits them better."

The Peruvian leader termed the Cuban-Peruvain disagreements over the foreign debt issue a "misunderstanding" provoked by "people who are interested in creating conflicts and enmities."

Shortly before leaving Havana, Luis Alva Castro held another meeting with the Cuban president in which the activities of the Peruvian delegation were reviewed.

Departs After 5-Day Visit

FL031530 Havana Radio Reloj Network in Spanish 1512 GMT 2 Jan 86

[Text] After a 5-day viist to Cuba at the invitation of Commander in Chief Fidel Castro, Luis Alva Castro, second vice president and prime minister of the Republic of Peru, has departed for his country.

In his penultimate day in Cuba, the Peruvian prime minister visited several centers of interest and construction projects in Cienfuegos. In that province, Alva Castro toured the bulk sugar loading terminal, fishing compound, oil refinery, and the electronuclear center being built with Soviet cooperation.

The Peruvian prime minister also had a meeting at the Sugar Ministry in Havana, where he expressed interest in the development of Cuba's primary industry.

Terms Visit 'Positive'

PA060348 Havana International Service in Spanish 1600 GMT 4 Jan 86

[Text] Luis Alva Castro, Peruvian vice president and prime minister, has told the press in Lima that his 5-day visit to Cuba promoted the improvement of relations between the two countries.

After holding talks with Peruvian President Alan Garcia, Alva Castro stressed that he agrees with the head of state that his trip to Cuba was very positive and that relations between the two countries will not only be normalized, but will expand.

Alva Castro, who is also minister of economy and finance, emphasized that the attitude of the Cuban Government is of solidarity towards Peru, and pointed out the presence of two Cuban fishing trawlers, which will fish in Peruvian waters for 6 months and will turn over the entire catch for the consumption of the people of that South American country.

In another part of Luis Alva Castro's statements to the press in Lima, he said Cuba should take part in the Latin American presidential summit, which will take place this year in Panama City, and added that no country should be left out of a meeting where problems common to all are to be discussed.

GRENADA

OAS AMBASSADOR DENIES HUMAN RIGHTS VIOLATIONS

FL031958 Bridgetown CANA in English 1821 GMT 3 Jan 86

[Excerpts] Washington, Jan 3, CANA -- Grenada's ambassador to the Organisation of American States (OAS) defended the island's human rights record today against charges of abuses by a Washington research group.

The liberal Council on Hemispheric Relations (COHA) said human rights conditions in Grenada were fast becoming the worst in the English speaking Caribbean. It cited reports of prisoners being denied medical attention and said the police force had acquired a reputation for brutality and abuse of authority.

Ambassador Albert Xavier, who is also accredited to the United States, denied the allegations during a ceremony marking his assumption of the chairmanship of the Permanent Council of the OAS for the next three months. I wish to state for the record that Grenada boasts very high level of observance of human rights, he said. He said COHA's report was faulty, and added one has to wonder where the information for that report was gathered from.

HAITI

DUVALIER SAYS 'DEMOCRATIC REFORM' TO CONTINUE

FL031656 Bonaire Trans World Radio in English 1130 GMT 3 Jan 86

[Text] President for Life Jean-Claude Duvalier in Haiti says he will continue the process of liberalization and democratic reform throughout 1986. In the traditional state of the union address given at the beginning of each year, Mr Duvalier said yesterday he is the only one capable of reconciling the nation with itself.

Last month, a wave of anti-government demonstrations swept the island, and three students were killed in the unrest. In the recent major shake up of his cabinet 2 days ago, Mr Duvalier demoted several former powerful ministers and eliminated top positions in the government. Eight months ago, when Mr Duvalier marked his 14th year of power he vowed to modernize the political system by allowing greater freedom of expression.

AUTHORITIES RELEASE OPPOSITION LEADER

PA052130 Paris AFP in Spanish 1414 GMT 5 Jan 86

[Text] Port au Prince, 5 Jan (AFP) -- Former Haitian minister Hubert De Ronceray, now a member of the opposition, who was arrested on 4 December, today phoned AFP to announce his release by the Port au Prince authorities. De Ronceray said he had not been mistreated during his imprisonment.

At the time of his arrest, the police reported the discovery of an "important" amount of subversive documents in his residence. De Ronceray, 53, is one of the six leaders of the local Haitian opposition. Formerly, he held the post of undersecretary of state for national education and minister of social affairs for President Jean-Claude Duvalier.

JAGAN: REGIME ISOLATED, 'VICTORY IS INEVITABLE'

FL041540 Bridgetown CANA in English 1456 GMT 4 Jan 86

[Text] Georgetown, Jan 4, CANA -- Opposition leader Dr Cheddi Jagan in a hard-hitting New Year's message to Guyanese has expressed deep gratitude for the warm support given his Peoples Progressive Party (PPP) in last month's general elections. Jagan, who claims fraud caused his party to lose to the incumbent Peoples National Congress (PNC) in the December 9 poll, said a new history had been denied Guyanese in 1986.

The new beginning, he said was thwarted by the PNC when they stooped to the lowest depths of immorality and depravity to manipulate the poll. The PNC won 42 seats to the PPP's 8, while the smaller United Force won two and the Working Peoples Alliance (WPA) one.

Dr Jagan told Guyanese in his message to take heart, since no sacrifice must be too great in our determination to free our beloved Guyana. The parasitic ruling elite and the emerging multi-millionaires must not be allowed to put our country and people in chains. Jagan said that the balance of forces have moved decisively in the peoples favour.

The Peoples National Congress (PNC) dictatorial regime was never as isolated as it is now. Like an empty barrel it is making a lot of noise. But time is not on its side. Jagan said history and time are with the peoples forces and victory is inevitable.

BISHOP CLAIMS GOVERNMENT VIOLATING HUMAN RIGHTS

FL041910 Bonaire Trans World Radio in English 1030 GMT 4 Jan 86

[Text] A Guyanese church leader is accusing the government of violating human rights and of corruption. Roman Catholic Bishop Benedict Singh has issued a pastoral letter to be read in churches in Guyana on Sunday. The letter also spoke about widespread racial and political discrimination, harassment, and persecution of the church. The letter calls the arrest and expulsion of British priest Patrick Connors this week unjust. Guyanese President Desmond Hoyte has been meeting with church leaders, including two leaders whose homes were recently searched by police.

BOUTERSE CRITICIZES NETHERLANDS 'DOUBLE STANDARD'

FL031924 Paramaribo International Service in English 1800 GMT 3 Jan 86

[Text] Commander Desi Bouterse has in his speech on New Year's Eve said that Holland is using double standards in its relations to Suriname. The constant world recession and the fact that Holland has not issued the development aid it suspended in 1982 have brought our economy in great danger, so Bouterse said. The unskilled use of one standard for other countries and another exclusive standard for Suriname when it comes to granting aid. [sentence as heard] According to head of government Bouterse, the administration has exerted itself to limit the consequences of the scarcity of foreign exchange by seeking new markets for our products and limiting the import of luxury articles. We don't expect to turn back in our trade and the problems in industry to completely vanish in 1986 . This, head of government Lieutenant Colonel Desi Bouterse told the people in his speech on New Year's Eve. On the contrary, these problems will, according to Bouterse, keep on existing.

The commander further stated that our production sources need to be expanded in order to overcome these problems. Also, so he continued, a production and export machinery ought to be established. This machinery will have to be aimed at the future and must under no condition whatsoever be dependent on the fluctuation in the bauxite sector.

The greatest merit of the February 25 revolution is the fact that mysteriously started to eliminate the racial points of distinction which were maintained by the former way of conducting politics. [sentence as heard] So Bouterse said in his New Year's speech. Even if one's attitude toward the revolution is negative, so Bouterse continues, one cannot deny that after 1980 the building of a true nation had started in Suriname. But the truth then of our revolution is, according to Bouterse, the fact that a building of this nation is not tied to belonging to a certain ethnic group or to professing a certain religion.

At the end of his speech the head of government especially thanked all the Surinamese in Holland, the Netherlands Antilles, and the United States of North America, who have demonstrated their allegiance to the leaders in Suriname.

ACTING PRESIDENT CONGRATULATES ARUBA

FL031950 Paramaribo International Service in English 1800 GMT 3 Jan 86

[Text] Acting President Ramdat-Misier has on the occasion of the proclamation of the apart status of Aruba sent a telegram to the governor of this island on behalf of the Government and the people of Suriname. In this telegram, the acting president congratulated the governor and the island of Aruba for the milestone and wished them all the best in their further development.

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COURT TO TRY FORMER BUENOS AIRES POLICE CHIEF

PY041723 Buenos Aires BUENOS AIRES HERALD in English 3 Jan 86 p 1

[Text] (NA-DYN) -- Former Buenos Aires province Police Chief retired General Ramon Camps will stand trial for human rights violations before the City Federal Appeals Court, the same that last month condemned five ex-junta commanders to prison sentences ranging from 54 months to life. The Supreme Court of Justice yesterday ended a legal ping-pong after both the Metropolitan and La Plata federal appeals courts waived jurisdiction on the grounds the alleged crimes took place in the other court's venue.

Though Camps headed the provincial police during the military government that took power in 1976, the Supreme Court ruled in favour of the City Appellate Chamber's hearing the proceedings because "the City of Buenos Aires is where all the crimes originated."

The Court ruling sustained that "cashiered general Guillermo Suarez Mason, who gave the orders for the operations, headed the Army 1st Corps with headquarters here," and that Camps, who was in charge of Buenos Aires province, "either obeyed direct orders" from the fugitive Army commander "or followed his general directives." With Suarez Mason on the run, Camps will answer charges of "illegal detention followed by torture and in some cases murder. You cannot separate the knowledge of the illegal detention of a given person from the torture or subsequent murder of that person while illegally held," the Supreme Court said.

The Buenos Aires Appeals Court was also selected for Camps' trial for the sake of procedural efficiency, since the ex-police chief, now being held in a military hospital has his residence here.

In addition to Camps and Suarez Mason, former Buenos Aires Governor retired General Iberico Saint Jean, ex-Military Institutes commander retired General Santiago Omar Riveros, his second-in-command retired Colonel Luis Sadi Pepa and other officers are also implicated.

While the charges of human rights violations at Military Institutes will be tried by the Armed Forces Supreme Council, "all remaining cases should be jointly heard," by the City Appeals Court, the Supreme Court ruled.

Camps, who has been directly accused of illegal detention and torture by, among others, education secretariat official Alfredo Bravo, former BA province economy minister Ramon Miralles and journalist Jacobo Timmerman, has reportedly taken credit in newspaper articles for direct participation in the kidnapping of thousands of people during the military regime, including children. According to one publication, Suarez Mason's former subordinate went so far as to say: "When (the military) return to power, my hand will not tremble when it comes time to signing (President Raul) Alfonsin's execution order."

GOVERNMENT ISSUES COMMUNIQUE ON GUGLIELMINETTI

PY032129 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1103 GMT 3 Jan 86

[Text] Buenos Aires, 3 Jan (NA) -- The government has stated that Judge Juan Carlos Cardinali's decision to free Raul Guglielminetti "must be assessed within the general context of the law and the independence of the judicial branch." In a communique released last night by the Justice Secretariat, the government stated that such an assessment must also be made "without taking into account whether or not the outcome meets the expectations that appeared to be logical," regarding the circumstances that surrounded Guglielminetti's extradition.

The communique states the following:

1) The extradition of Raul Antonio Guglielminetti was correctly sought by lower court criminal trial judge Dr Juan Carlos Cardinali for the murder of Emilio Naum. Guglielminetti was detained in Spain after an arrest warrant was issued by Cardinali. In order to make the extradition viable, the trial judge issued a warrant of preventive custody. The assessment of the evidence on which the request for extradition was based was solely a judicial one.

2) The executive branch expeditiously took all the necessary steps to implement the petition. This approach was necessary because references to the indictee's activities within government circles were made public.

3) The judge himself has now ordered the indictee's release due to a lack of evidence. However, this does not preclude the continuation of the case, a decision regarding which must be assessed within the general context of the law, without taking into account whether or not the outcome meets the expectations that appeared to be logical given the circumstances mentioned in the preceding paragraph.

CNEA CHAIRMAN SAYS UNION STATEMENT 'IRRESPONSIBLE'

PY031657 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2153 GMT 2 Jan 86

[Text] Buenos Aires, 2 Jan (NA) -- National Commission for Atomic Energy (CNEA) Chairman Alberto Constantini today termed "irresponsible" a statement by the ENACE [Argentine Nuclear Enterprise for Electrical Power Plants] trade union and stated that in January, renegotiations of the contracts for the construction of the Atucha II nuclear power plant, which "will be operating in 1992," will be concluded.

In statements to NOTICIAS ARGENTINAS, Constantini said CNEA's 1986 budget, including works in progress and CNEA's external debt, will be between $500 and $600 million. He said that this year "there will be enough funds to reactivate the Atucha II project."

Thus, Constantini countered a statement by the ENACE trade union that nuclear development in the country "is on the brink of collapse" and that CNEA's manpower is being "thrown overboard." Constantini denied that Argentine nuclear development "is on the brink of collapse" and said atomic activities for peaceful uses "are maintaining the same growth rate of recent years. Not only have we preserved CNEA's full scientific-technological development, but we have also preserved its manpower despite the shortage of funds," Constantini added. He reasserted that "there is no flight of CNEA scientists" and commented that "this is proven by the activity in the library, the scholarships to foreign countries, and the support given to the laboratories."

Assessing his nearly 2-year tenure as CNEA chairman, Constantini said: "We have increased all the activities for the application of nuclear energy for peaceful uses, especially in the field of nuclear medicine, and we have made contributions in other fields such as agriculture, industry, and power supply."

Constantini said that "in the field of nuclear power plants, ENACE workers know very well that the nearly 60-month delay of the projects originated 4 or 5 years ago and not when the current government assumed office." Constantini reiterated that President Raul Alfonsin "has made a political decision to complete Atucha II in 1992" and stated that this month, when the renegotiations of the contracts for that nuclear power plant are concluded, "we will stop paying the huge nonproductive expenses" resulting from the halting of the projects.

"All nuclear projects throughout the world had similar delays," Constantini added. "Not only we have preserved the manpower, but we have also improved in the field of radioisotopes and resumed a normal pace in the technological development of nuclear power plants," Constantini concluded.

CGT REJECTS SALARY POLICY, ISSUES COMMUNIQUE

PY032211 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2340 GMT 2 Jan 86

[Text] Buenos Aires, 2 Jan (NA) -- CGT [General Confederation of Labor] Secretary General Saul Ubaldini said today that for the CGT to return to the socioeconomic conference, the government must agree on a "specific date" for summoning the government-labor-business committees, and it must also grant a demand for a fixed salary readjustment for "the poorer" workers. "We cannot address other issues before solving the salary problem," he added. Ubaldini made brief remarks at his office this evening, when he released a communique in which the CGT reiterated "its strongest rejection of the salary policy unilaterally imposed by the government," and once again advocated collective bargaining with the government-labor-business committee, under the terms of Law No 14,250. In its communique, the CGT asked the government "to adopt a down-to-earth stand and compensate the great efforts of workers" through a readjustment "that should actually improve their salaries."

Ubaldini also referred to an earlier meeting he had held with leaders of pensioners and retired workers, all of whom criticized the government's decision to raise the minimum retirement allowance from 67 to 70 australs, that is, by only 3 australs. "This 3-austral increase is hardly enough to buy 1.5 kg of plums," Ubaldini said ironically. The CGT communique reads:

"A new year has begun, and the workers continue to raise their voice through their labor organizations. This reveals the existence of a deeply conflictive situation largely stemming from demands for higher salaries and from the rejection of the meager 5-percent raise the government enforced through Decree 2,446. The CGT has permanently channeled such demands, first to the president and then to the socio-economic conference. Taking into account the results of these tripartite talks, the CGT is studying the various courses of action the executive council will propose to the plenary session of secretaries general and regional delegations called for 10 January. The CGT once again reiterates its most categorical rejection of the salary policy unilaterally imposed by the government, because it is based on laws that were approved by the military regime that we have repudiated, and because the government maintains the validity of Decrees 2,224, 2,131, and 2,132. These arbitrary and harmful decrees punish the workers, denying them the right to freely negotiate their salaries under the terms of Law 14,250.

"Being aware of the distressing situation of workers, pensioners, and retired workers at this hour of socioeconomic crisis, the CGT remains committed to their fate, which is the Argentine people's fate. As it has done throughout its history, the CGT will stand by its people, waving the national banners that will break the bonds of dependence, moving forward toward a society in which social justice will prevail.

"It is absolutely necessary that those who govern adopt a down-to-earth stand and compensate the great efforts of workers through a readjustment that should actually improve their salaries. It is imperative to end the arbitrary salary freeze and to put at the service of our growth what is now being taken by the owners of the capitals which have no fatherland, that is, the international usurers. The CGT will keep in touch with the secretaries general of the CGT unions and of the regional delegations from the country's interior to continue the discussion of the program of action that will be proposed to the plenary session, which has already been called."

UNION PROTESTS COMIBOL DISMISSAL OF WORKERS

PY312251 La Paz Cadena Panamericana in Spanish 1130 GMT 31 Dec 85

[Text] The mineworkers Federation of Bolivia has denounced the fact that despite its promises, the Mining Corporation of Bolivia [Comibol] has sent dismissal notices to more than 5,000 workers. Mario Cortes, permanent secretary of this federation, spoke to Panamericana:

[Begin Cortes recording] Our federation currently has serious economic problems as well as problems with the supply of material, and what is worse Comibol is starting to dismiss, by letter, more than 5,000 workers. This has aroused a general protest among all the mineworkers; therefore, our federation has voiced its protest to Comibol because it is not complying with the agreement it reached with the president of the Republic and our federation by which it was established that any dismissals were to be suspended until March, when the decentralization is to be completed. This agreement was not respected, and the resulting protests may end with the adoption of stronger measures by the workers. [end recording]

Cortes concluded by saying that 1985 closes with a negative balance for his sector thanks to the action of the antiworker administration.

RAILWAY WORKERS' STRIKE DECLARED ILLEGAL

PY041535 La Paz Cadena Panamericana in Spanish 1130 GMT 4 Jan 86

[Text] The Labor Ministry has declared the railway workers' strike illegal. The Railway Workers' Confederation has expressed its point of view to Radio Panamericana through its secretary, Alfredo Gomez Garcia.

[Begin Gomez recording] This afternoon the Labor Ministry notified us, through Resolution No DGT 02985 dated 31 December, that the strike decreed by the Confederation of Railway Workers' Unions is illegal. The Ministry accused us of having violated Articles 105 and 118 of the General Labor Law, for which the Confederation of Railway Workers' Unions will be made legally responsible. We deny having violated any article of the General Labor Law, and if we have committed any offense in the opinion of the Labor Ministry, it is only that of having requested that our salaries for August, September, October, November, and December be paid. I do not see how that can be an offense. [end recording]

BANK UNION'S TOP LEADER ARRESTED 3 JANUARY

PY041518 Madrid EFE in Spanish 0242 GMT 4 Jan 86

[Text] La Paz, 3 Jan (EFE) -- EFE has been told by an official source that Miguel Angel Quintanilla was arrested today. Quintanilla has been wanted by the Bolivian Government since the August and September 1985 labor conflicts that led to the implementation of the state of siege. The labor leader went underground when the state of siege was implementated on 19 September 1985, and his arrest was ordered for having committed crimes against the economy of the state. Quintanilla, as the top union leader of the Central Bank's employees, promoted a bank strike that paralyzed the country's economy. Quintanilla's arrest order was signed by a competent judge, and he will now be placed at the disposal of the courts.

SARNEY DISCUSSES PROSPECTS, GOALS FOR 1986

PY041136 Brasilia Domestic Service in Portuguese 2100 GMT 3 Jan 86

[Text] President Jose Sarney guaranteed this morning that there will be no rampant inflation in 1986. Speaking on the radio program "Talking Next to the Radio," broadcast every Friday at 0600, he said:

[Begin recording] It is already 1986. I hope that the new year brings peace, happiness and progress to Brazil. Our task will be hard because we have many challenges, but our will to overcome them is greater than all obstacles.

First, we will have to fight inflation, and we have to be on the alert against speculation and excessive profit. We are already witnessing a feverish increase in prices, which drains our people. This criminal process causes prices to push inflation up rather than down.

We are also witnessing the presence of the prophets of chaos who create a constantly (?tense) psychological climate. When I was installed in the government, they said inflation would reach 500 percent, but it did not. The speculators did not give up but said that the outburst would come in August. It did not. Moreover, it did not come in November. Now, they say it will come in the new year. I promise the Brazilian people that this will not occur. There will be no rampant inflation. Although 1985 was similar to 1984, there was a great difference: the inflation rate in 1985 was similar to that in 1984 but without recession and with economic growth. Brazil had the highest development rate in the world, higher than 8 percent. We created more than 2.5 million jobs, and salaries rose faster than the inflation rate; we had the best Christmas in many years.

My commitment is, as always, to say no to recession. We will continue to grow, because without growth there is hunger, unemployment, and misery.

The public budget this year is under control. We will have a minimal deficit. Investments are returning. There is confidence, there is work, and there is seriousness in conducting public business.

I renew my commitment to change. This year we will continue to work in this direction. Our priority, the great priority, is the social field, not only in diminishing tensions in the short term but also to create a fair society. When we speak of better salaries, we speak of a society where man is not exploited.

When we speak of a Constituent Assembly, we speak of a Magna Carta which does not shelter injustice, we speak of a constitution that is not the creation of a certain class or faction but of a broader law, able to grant stability and the means to govern the country. We speak of the rights of all sectors of society, not just some of them.

When we speak of agrarian reform, we speak of distributing land to those who toil on it. Brazilians know that I will not abandon this slogan, this flag. It is a reform to be carried out without violence, in peace, and with respect for the rights of those who till the soil.

The year 1986 will be the year of the constitution, the year of change. The country is already changing, and it will improve day by day. I am counting on the support of the Brazilian people. Nothing can be done overnight. We have been in office for 9 months, but there has never been so much will and so much work. It has not been easy to overcome difficulties, but progress is the result of hard work, and I have the obligation to set the example as the hardest worker, I have to set the example by fulfilling my duties.

I hope the Brazilian people help me in the year 1986 so that I can help Brazil, because Brazil will succeed. [end recording.]

M-19 GROUP NEAR COLOMBIAN BORDER CAUSES CONCERN

PY061728 Paris AFP in Spanish 1409 GMT 6 Jan 86

[Text] Sao Paulo, 6 Jan (AFP) -- Military officials of the Amazon Military Command are concerned over the concentration of nearly 400 Colombian M-19 guerrillas in the region known as Cabeza de Perro, near the Colombian-Brazilian border, the weekly VEJA reported here today.

According to the influential weekly, a company of 100 men of the 1st Infantry Battalion has been dispatched to Sao Gabriel de Cachoeira, the Brazilian town closest to the border, in an emergency effort to prevent Colombian guerrillas from entering Brazilian territory.

Brazilian President Jose Sarney and Colombian President Belisario Betancur are scheduled to meet in the city of Tabatinga, which is located in this region, on 20 January.

TROOP DEPLOYMENT ON BORDERS TERMED 'ROUTINE'

PY031822 Madrid EFE in Spanish 1244 GMT 3 Jan 86

[Text] Brasilia, 3 Jan (EFE) -- The Brazilian Army today reported that yearly routine exercises on the borders are not intended to break the balance of power in the region as reported in Buenos Aires. Army sources in Brasilia today termed routine the exercises deploying 15,000 men on the Argentine, Bolivian, Paraguayan, Colombian, Venezuelan, and Guyanese borders.

According to reports datelined Buenos Aires, Peronist Deputy Torcuato Fino reported a powerful deployment of Brazilian troops, which was interpreted by the legislator as a threat to the balance existing in the region.

Army sources in Brasilia reported that exercises on the borders are carried out annually. Last year, they were carried out with the participation of the III Army Command (which is responsible for the southern defense) and the new Amazonian and Western units. The same sources reiterated that the exercises are carried out by units already installed along the borders.

According to reports published today in Brasilia, the Peronist deputy interpreted the Brazilian deployment as an ostentatious show of force.

GOVERNMENT TO IMPORT STAPLE FOODS IN 1986

PY031758 Madrid EFE in Spanish 2140 GMT 2 Jan 86

[Text] Rio de Janeiro, 2 Jan (EFE) -- Government authorities today confirmed that in 1986 the Brazilian Government will have to import more than $1.5 billion worth of staples to prevent Brazilians from starving. This measure has been prompted by the drought affecting agricultural areas in northern and central Brazil for months.

Interior Minister Ronaldo Costa Couto emphasized that the lack of rain in the states of Sao Paulo, Rio Grande do Sul, Santa Catarina, and Parana has reduced Brazilian agricultural production, and it is expected that indispensable staples will be in short supply in the coming months.

The interior minister added that the government has approved an initial allocation of $800 million to import meat, beans, corn, and rice but that amount will be readjusted if the staples shortage becomes worse in the second half of 1986.

Costa Couto reported that in the past 10 years Brazil has not experienced an increase in agricultural production, and the volume produced was intended for domestic consumption with only very small quantities for exports. In addition, the interior minister said that in 1986 Brazil will launch an offensive to create a staples reserve, involving $12 billion in investment over the next 15 years and the irrigation of 1,000 [as received] hectares of land.

The program, supported jointly in the financial field by the government and the private sector, will be backed by the World Bank and the Inter-American Development Bank, and will create at least 2 million new jobs in Brazil, where unemployment reaches nearly 17 million. Sao Paulo Governor Franco Montoro has stated that the drought has caused losses totaling nearly $4 billion, and it may cause a number of side effects such as an increase in malnutrition in rural areas.

INFLATION RATE HITS RECORD FIGURE FOR 1985

PY311744 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Dec 85 p 22

[Excerpts] According to information released yesterday by IBGE [Brazilian Institute of Geography and Statistics], the inflation rate for the month of December, calculated on the bases of the Expanded National Consumer Price Index (IPCA), reached 13.36 percent. As a consequence, the inflation rate for this year, also calculated on the bases of the IPCA, amounted to 233.65 percent, the highest rate in Brazilian history.

The General Price Index (IGP), calculated by the Getulio Vargas Foundation and which through October was used to measure the rate of inflation, should be released on 30 January. According to preliminary estimates of the Getulio Vargas Foundation experts, the IGP for December should total 14 percent, which would bring the annual IGP to 237.5 percent. The IGP is now used as a secondary index to determine the country's inflation rate.

BRIEFS

NEW SAO PAULO OFFICIALS -- The following secretaries were installed today along with Sao Paulo Mayor Janio Quadros: (Claudio Salvador Lembo), judicial matters; Joao Carlos Freitas de Camargo, municipal government; (Alex Breua Netto), special affairs; Jose Benedito Viera de Moraes, social defense; (Marco Antonio Franca Matrobuano), planning; Wilson Fernandes Pereira, administration; (Carlos Alberto Manhes Barreto), finance; (Jacob Salvador Ziebel), culture; (Paulo Vinge), education and family; Ricardo Veronese, health and hygiene; (Fiori Wallace) [name indistinct], public services and works; (Roberto Salvador Escarigela), transportation; Celso Matsuda, supply secretariat, to be created; former Mayor Reinaldo de Barros, public roads; Elson Gonsalves Barbosa, regional administration; Rafael Baldase Filho, housing and urban development. [Text] [Sao Paulo Radio Bandeirantes Network in Portuguese 1500 GMT 1 Jan 86 PY]

STEEL PRODUCTION -- Brazilian Iron and Steel Inc [Siderbras] President Amaro Lanari Junior said today that Brazil ranks seventh in world production of steel and that national production reached about 20 million tons in 1985. He said that he expects steel production to increase by 10 percent next year. However, the largest problem of the Siderbras group is its $12-billion debt. [Excerpts] [Brasilia Domestic Service in Portuguese 2100 GMT 26 Dec 85 PY]

ARMED FORCES READY TO ACT IN 1989 ELECTIONS

PY061646 Madrid EFE in Spanish 1423 GMT 5 Jan 86

[Text] Santiago, Chile, 5 Jan (EFE) -- The Chilean Armed Forces will act in 1989 if a "nondemocrat is elected" in the elections that may be held that year. This was stated by Maximiano Errazuriz, leader of the Independent Democratic Union (UDI), who is an ideologue and adviser to the government of General Augusto Pinochet and a professor at the academies where top-ranking Army officers are trained, in an interview with COSAS magazine.

The Constitution provides that a plebiscite with one candidate to be appointed by the Armed Forces commanders will be held in 1989. However, if this candidate loses, other elections with the participation of several candidates and political parties are scheduled.

Errazuriz categorically stated that the Armed Forces will respect the sovereign decision of the people "if the winner is a democrat." He added: "But if the winner is a nondemocrat, the Armed Forces will take action." Maximiano Errazuriz noted that as of 1989 the Armed Forces will play the role "of a referee who will allow the players on the field, that is the political parties, to play the free play of democracy. But they will be ready to take action if nondemocratic parties try to take part." Asked who is going to decide whether the winner of the elections is a nondemocrat, Errazuriz said: "This will not be difficult because in Chile everyone knows each other very well."

When pressed by the interviewer, Errazuriz said that it will be up to the constitutional court to decide whether or not the candidate elected is a democrat. At present, the majority of the members of the constitutional court have been appointed by the regime.

Asked if Pinochet will be the sole candidate to be appointed in 1989 by the Armed Forces commanders, Errazuriz said that he believes that "this candidate may be President Pinochet himself if there is a certainty that he will win the elections; if not, it is very likely that a civilian will be appointed."

RESTRICTION ON NIGHT TRAFFIC LIFTED IN 5TH REGION

PY061800 Santiago Domestic Service in Spanish 1630 GMT 6 Jan 86

[Text] The office of the chief of the emergency zone in the Province of Valparaiso and Easter Island [as heard] has repealed the restriction on the movement of vehicles during night hours in the 5th Region. The objective of this decision is to help promote tourism in the area, which has recently experienced a notable increase. The office of the chief of the emergency zone has issued Decree No 23 to inform the people of this decision.

NICARAGUAN AMBASSADOR SAYS M-19 AID INCIDENT OVER

PA061923 Madrid EFE in Spanish 1714 GMT 6 Jan 86

[Text] Bogota, 6 Jan (EFE) -- Today Nicaragua said it considers concluded the diplomatic incident with Colombia over the alleged aid to guerrillas of the 19 April Movement (M-19) who attacked the Palace of Justice in Bogota last November, leaving 115 people dead.

Francisco Quinones Reyes, Nicaraguan ambassador to Colombia, said that his country has demonstrated it has no influence on Colombian internal affairs and said he considers that Nicaraguan Foreign Minister Miguel D'Escoto's response to the diplomatic message from his Colombian counterpart, Augusto Ramirez Ocampo, rendered the accusations nil.

"I believe that we have responded satisfactorily and with the promptness requested by Colombia, and it has been established that we are not guilty. The episode has ended," Quinones said on Radio Cadena Nacional (RCN).

The diplomat also considered "concluded" the incident over the presence of Interior Minister Tomas Borge at a mass in Managua at which someone draped an M-19 flag over the altar and praised the guerrillas killed in the attack on the Supreme Court. Quinones stressed that according to the response sent by D'Escoto 2 days ago "it was a mass in the memory of Commander Enrique Schmidt, director of Nicaraguan Telecommunications and Postal Services, who was killed while fighting against mercenary groups."

The Nicaraguan representative said, in response to the accusation that arms sent in 1979 to the FSLN were found in the M-19 arsenal inside the destroyed building, that "we received only one-third of the rifles."

Quinones Reyes stressed that relations between Colombia and Nicaragua "are normal, and we believe it is our turn to continue promoting peace efforts, because we understand that Colombia has been one of the forerunners," of Central American cooperation through the Contadora Group.

Ambassador Quinones recalled that the accusations of Sandinist government involvement in the training of the M-19, which until June 1985 maintained the official truce established in 1984, were made by the U.S. Government, which is "trying to torpedo the Contadora Group's efforts, even though it says that it supports the Group."

VOLCANO EVACUEES ALLOWED TO RETURN HOME

PA070212 Bogota Television Service in Spanish 2357 GMT 6 Jan 86

[Statement by unidentified official -- monitored in progress]

[Text] ...day and night, minute by minute, the seismic and volcanic activity of the Nevado del Ruiz Volcano, and taking into consideration the evolution of the situation, as of this hour, that is 1600, and assuming no new developments will force the adoption of different measures, the government hereby notifies the people living in the areas of Honda, Guayabal, and Ambalema they may now return to their homes.

In view of the fact that the technical information we have on hand indicates there would be a very short period of time in which to take action in the event of a new avalanche, the residents of the lowlands of Mariquita and Chinchina must stay out of that area until further instructions are given, bearing in mind that the threat of new developments has not been totally eliminated, as well as to prevent tragedies.

The areas permanently evacuated after 13 November 1985 will not be occupied again under any circumstances. The local authorities will enforce this control.

As the residents return to their homes, the monitoring of the rivers must continue, as natural events cannot be forecast, and the danger cannot be understood and estimated beforehand; therefore, we advise that cautious measures be adopted to prevent the loss of human life by avalanches or floods.

The authorities, the Armed Forces, the Civil Defense, and the Red Cross will continue to lend all necessary assistance. The committee of volcanic studies will continue to issue communiques to the people on the volcano's activity; in this manner, the people will be kept posted on any developments. Thus, the residents of that particular area will be able to evacuate in an orderly fashion, as was the case on 4 January, without panic, to higher and safer areas, as determined by the local authorities.

In conclusion, the residents of the lowlands [as heard] of the areas of Honda, Guayabal, and Ambalema can return to their homes as of this moment, 1600. The residents of the lowlands of Mariquita and Chinchina must continue to follow the evacuation order in view of the short period of time, in the event of an avalanche, they would have to go to safe areas. The residents of areas that have been evacuated on a permanent basis since 13 November 1985 must remain in the places that the authorities have indicated.

To conclude, and for your information, a new expert is arriving this afternoon from a Hawaiian laboratory, Dr Victor (Okamura), who will aid local and foreign scientists in studying the volcano's activity. Thank you.

1986 FOREIGN TRADE STRUCTURE OUTLINED

PA031633 Bogota EL TIEMPO in Spanish 24 Dec 85 pp 1A, 8A

[By Jose Suarez]

[Excerpts] The government has defined the bases of the Colombian foreign trade structure for the coming year, framed within a greater liberalization of imports, an increase in the budget to pay for these imports, the elimination of import difficulties, and the reduction of direct subsidies for exports. These are the bases:

The budget for reimbursable imports for 1986 will be $3.6 billion, with a monthly average of $300 million. This amount might be increased within the next few weeks in view of increased foreign exchange from coffee sales.

The import budget for the Amazonas and Putumayo regions was increased by 25 percent, and for San Andres by 10 percent. The budget for International Fair of Bogota was doubled from $15 million to $30 million.

Yesterday, the Foreign Trade Executive Board moved 203 entries in the customs tariff book to the list of items that can be imported freely, without restrictions. As a minimum, each entry has a similar number of different products. [sentence as published] This step was taken within the liberalization process for imports which has recently been applied, especially to raw materials. Therefore, at the end of 1985 a large percentage of the items on the customs tariff lists are now on the list of itmes that can be imported freely, in compliance with international agreements.

In the last few days, the monetary authorities adopted measures to eliminate difficulties in trade, such as demanding advance deposits and minimum time periods for the payment of imports.

On the subject of exports, there was an average reduction of 50 percent in the Tax Rebate certificate, CERT, for 1985. This reduction will be compensated for by a balanced rate of exchanges. There will be four CERT levels for 1986, which are: Zero percent, 5 percent, 9 percent, 14 percent as EL TIEMPO has been forecasting since last November. In addition, there will be a special CERT level of 20 percent for cotton exports, in view of the pricing difficulties for this porduct, which will also have a compensation mechanism. The final CERT fiscal costs for next year will be only 14.625 billion pesos, which is less than the 19 billion pesos in 1985.

Total exports other than coffee for next year will be $1.691 billion, according to government forecasts.

During the current year, minor [menores] exports in Colombia increased by 19.7 percent and the country had, after 6 years, a favorable trade balance of over $142 million, according to information supplied by Economic Development Minister Gustavo Castro Guerrero at a press conference yesterday.

This year Colombia managed to recover the Andean Group, EEC, and U.S. markets. The government anticipates that with the United States will be balanced.

The main measure adopted by the government to sustain the growth of exports other than coffee is that related to the CERT for 1986. As far as the growth of exports other than coffee are concerned, the government stated that nearly all have increased, with beef, sugar, and bananas the exceptions. Cotton, on the other hand, increased 65.4 percent, rice 54 percent, flowers 6 percent, tobacco 6 percent, and prawns 3.8 percent.

In the manufacturing sector, exports increased by 24 percent, excluding nickel-iron; in the mining sector, the increase in exports reached 124.6 percent, basically due to initiation of coal exports. Exports of platinum increased by 56.7 percent, and exports of precious stones by 23.3 percent.

BRIEFS

AMBASSADOR TO CHILE --Bogota, 3 Jan (DPA) -- The government has appointed Jorge Enrique Rodriguez, an architect, as ambassador to Chile, replacing Vicente Borrero Restrepo. [Summary] [Hamburg DPA in Spanish 1720 GMT 3 Jan 86 PA]

MINISTER ANNOUNCES NEW FORMULA FOR OIL SALES

PA061401 Quito Voz de los Andes in Spanish 1230 GMT 5 Jan 86

[Text] The deterioration of oil prices on the international market has become the main concern of energy authorities. This week, the price of Ecuadoran crude remained low, at less than $25 per barrel.

In this context, Energy and Mines Minister Javier Espinosa Velez has announced a change in the formula for selling a number of different types of crude oil. He explained that some oil is being sold at floating market prices and other oil is being sold at the official market price. This is a dual system, he said, which I believe to be the most equitable.

Sales of crude are based on the price of Alaskan crude, which is inferior in quality to Ecuadoran crude and varies greatly in price.

ALFARO LIVES LEADER KILLED IN CLASH WITH POLICE

PA060327 Paris AFP in Spanish 1739 GMT 5 Jan 86

[Text] Quito, 5 Jan (AFP) -- The deputy commander in chief of the Ecuadoran subversive group Alfaro Lives was killed on Saturday near Mariscal Sucre Airport in Quito. This was confirmed today in a call to AFP by a member of that organization. The police have remained silent about this incident, which occurred on Saturday afternoon; however, the person who contacted AFP, who did not reveal his name, confirmed what several media had announced today.

The subversive was shot in a clash with several policemen dressed in civilian clothing, who attempted to arrest him. Fausto Basantes Borja, accused of several crimes, kidnappings, and drug trafficking, was well known in the country along with four other Ecuadorans, thanks to the continuous and permanent announcements in all of the media that a 5-million sucre ($52,000) reward had been offered for each of them.

The two men identified as members of the Alfaro Lives group had had some part in the kidnapping of the banker Nahim Isaias, who was killed along with five subversives, three of them Colombians from the M-19; a month ago they tried to kidnap the son of Antonio Granda, another wealthy Ecuadoran. Granda resisted and was able to escape; however, his face was disfigured by three shots. Granda wounded one of his would-be captors.

After their failure with Isaias, for whom they demanded $5 million, the group robbed a bank, stealing only $15,000.

Three other members of the group escaped from Garcia Moreno Prison in Quito through a 300-meter engineering tunnel.

The government has launched a campaign to eliminate this subversive group. The year 1985 has been the year of the most activity to date by the subversive organization which, after stealing the sword of Eloy Alfaro, leader of the liberal revolution in the past century, is approaching its third anniversary.

FURTHER REACTIONS TO U.S. ENVOY-ACCORD MEETING

Government Not To Protest

PY070131 Asuncion Red Privada de Teledifusora Paraguaya de Television in Spanish 2300 GMT 6 Jan 86

[Excerpts] At the opening of official activities tnis week, His Excellency, president of the Republic and commander in chief of the Armed Forces, General Alfredo Stroessner, answered official questions in his office at the Lopez Palace and, after signing resolutions, met with Finance Minister General Cesar Barrientos, retired, Juan Ramon Chavez, Senate president and president of the Colorado Party government junta, Interior Minister Sabino Augusto Montanaro, and Justice and Labor Minister Jose Eugenio Jacquet.

Asked if the national government will file a protest to the U.S. Embassy over recent events well known to the public, Minister Montanaro replied:

[Begin recording] The subject was not discussed at all, so I do not believe it will; I do not believe it will. The government will give its opinion but will not... at least I understand that it will not, file any protest, because the case involves an action that, in the ambassador's view, can be correct, but which in the view of some of us is not correct. As the Constitution says... we are respectful of the policy of nonintervention in internal affairs, just as we are of the self-determination of peoples. We would not like to appear to be meddling in the political problems of other countries. [end recording]

Politicians Comment

PY062029 Asuncion Radio Primero de Marzo in Spanish 1440 GMT 6 Jan 86

[Passage within quotation marks recorded]

[Text] The meeting that U.S. Ambassador Clyde Donald Taylor had with opposition sectors has prompted various reactions within the political sectors. Ruling Colorado Party members referred to the ambassador's action as an intervention in our domestic affairs. However, Genuine Liberal Party [Partido Liberal Teete] leader Dr Carlos Levi Rufinelli said Ambassador Taylor's actions do not constitute intervention.

[Rufinelli] "We should first take into account the fact that people believe human rights and democracy are achievements for which there are no borders and to which, by definition, government resolutions or coercive laws do not apply. However, aside from the fact that people have the right to engage in discussions, there is something that was discussed 500 years ago. When Charlemagne wanted to issue a decree compelling his subjects to convert to the Catholic faith, a Catholic priest was astute enough to tell him that freedom of conscience, which entails freedom of expression, cannot be restricted by any law, and furthermore, no law that will not be complied with because it goes against human nature should ever be issued.

"The government claims that it is Paraguay, but neither the government nor the Colorado Party members are Paraguay. They are part of Paraguay, just as we are also part of Paraguay. As human beings we have rights that cannot be subject to the will of the government, which has signed solemn human rights treaties, such as the one establishing that no one can deprive us of the right to speak and express our ideas and opinions.

"Now, the situation would have been quite different if the United States had sent a Marine battalion to our country to help someone."

For his part, speaking about the U.S. ambassador's meeting with National Accord members, Radical Liberal Senator Luis Maria Vega said that a democracy should guarantee freedom of information and other liberties.

[Vega] "As I see it, a diplomat in any country, provided it is ruled by a democratic government, is free to gather information on any domestic issue of that country, because it is logical that a diplomat should become acquainted with the situation and learn about the real state of affairs in the country where he will discharge his duties. I do not think a diplomat's efforts to learn about the events in a country can be regarded as intervention in that country's domestic affairs."

Dr Edgar I. Insfran, who for many years served as interior minister, said the U.S. ambassador's meeting with National Accord members is not in line with the nature of the activities engaged in by representatives of a foreign nation.

[Insfran, in progress] "...simp'y because he must develop his activities before the government to which he has been accredited. He asked for an audience with the president, with the president of the judicial branch, and with the president of Congress. This is a correct and standard procedure. However, I think that by granting the same treatment to just any group in the country he has overstepped the limits of his ambassadorial duties. In my judgement, to attend a conclave to which a legally established party and unrecognized parties have been summoned entails intervention."

Concerning the U.S. ambassador's meeting with representatives of the National Accord, Radical Liberal Party President Emilio Forestieri, a councilman, said: This is nothing new.

[Forestieri, in progress] "...because the embassy has traditionally held talks with all sectors in our country. I have learned through the press -- the ambassador himself, whom I met Friday at 1500 for over 1 hour, gave me this information -- that he also visited the Colorado Party executive board headquarters, that he met Armed Forces members, and that he will continue to meet with other sectors like Feprinco [Paraguayan Industrial and Commercial Federation], the Industrial Union, and others, right? He has also held talks with other political parties such as the Liberal Party. He also talked with us, and in the near future he will visit our party headquarters. I told him that we will summon Radical mid-level, rank and file, and top-ranking leaders, as well as labor and youth leaders, so that he may have a total picture of our activities and what we think about the situation prevailing in our country.

"Therefore, this was just another visit, another conversation with political leaders of other sectors. I think he will also meet Catholic Church representatives, as he told me."

Liberal Party Deputy Carlos Ferreria Ibarra said he does not believe Ambassador Taylor has intervened in our domestic affairs.

[Ferreira Ibarra, in progress] "...because the ambassador did not give any guidelines, and suggestions as to which course the political parties were to follow. Summing up, he did not give any guidelines. It was simply an exchange of views. Therefore, I do not think this is intervention in our domestic affairs. Obviously the Liberal Party would not accept foreign intervention in our domestic political affairs or for that matter in any of our affairs, because we Paraguayans are capable of solving the problems we do have; within the law."

For his part, Colorado Deputy Angel Roberto Seifart said that the mere fact that the U.S. ambassador held a meeting with National Accord members cannot be regarded as intervention in our domestic affairs.

[Seifart] "Now, it would have been different if the ambassador or officials of that embassy had provided guidance, instructions, or any type of help showing that they were siding with a specific group. If such things were to happen, they would be rejected as intervention, because they would be unacceptable and we could not tolerate such occurrences under any circumstances. The mere fact that an embassy has gotten in touch with an irregular group, that is,with political parties which have not been recognized and which, as such, do not exist, does not grant them legal status. Neither can such groups expect that because of this mere fact they have been granted recognition as parties."

In this regard, Febrerista Revolutionary President Dr Fernando Vera said:

[Vera] "When a U.S. ambassador publicly approves of what the government does, everything seems fine, but when an ambassador wants to learn about the real political situation in the country where he will discharge his duties, everything is then quite wrong."

The harshest criticism of the U.S. ambassador's meeting with members of the National Accord came from Interior Minister Dr Sabino Augusto Montanaro, who said this is intervention in our country's domestic affairs. In this regard,Dr Vera said the minister's reaction was not politically wise and that this could cause U.S.-Paraguayan relations to deteriorate. He then added:

[Vera] "The Christian Democratic Party, the Colorado Popular Movement, and the Authentic Radical Liberal Party exist, regardless of the government's pleasure or displeasure, and regardless of their being recognized or not by the central electoral board. To say that they are irregular groups that do not exist is to refuse to admit the truth. They represent major civic and democratic sectors, and this is very important. These National Accord sectors should be recognized, I would say even at the government's own initiative. The ambassador clearly explained the purpose of his contacts with the political sectors in our country: To get a political X-ray of the country, to know the entire spectrum of political forces, opinions, and proposals."

For his part, Fulvio Hugo Celauro, former Liberal Party president, said he does not know the U.S. ambassador, who last week met National Accord members. Asked by a Primero de Marzo reporter about his opinion regarding the dialogue between the ambassador and the politicians, Celauro replied dryly: I do not know that gentleman. He continued to walk and declined any further comment.

Taylor 'Attitude" Questioned

PY070205 Asuncion ULTIMA HORA in Spanish 6 Jan 86 p 10

[Excerpts] Dr Adan Godoy Jimenez, vice president of the Colorado Party Executive Board, this morning told ULTIMA HORA his opinion about the dialogue U.S. Ambassador Clyde Donald Taylor held with the irregular opposition. He said: "I am deeply surprised at the ambassador's attitude. Such an attitude by the ambassador of a friendly country is hard to understand. We would not have thought, after having talked with this gentleman, that he would display such an incorrect attitude. It shows that his interest goes beyond mere curiosity."

Godoy Jimenez, who is also the health minister, added: "I hope, I hope Ambassador Taylor will reconsider and will take the right course."

The minister added that the ambassador must rid himself of his current advisers. "He would thus better serve our democracy, which we Paraguayans will maintain and, if necessary, improve," he stressed.

PDC's Perina Endorses Meeting

PY070012 Asuncion ULTIMA HORA in Spanish 6 Jan 86 p 10

[Text] Romulo Teobaldo Perina, former president of the Christian Democratic Party and current member of that party's national board, has stated that "as a rule, the ambassadors of friendly countries consult the leaders of the various political groups. Therefore, I do not consider it interference in domestic affairs, because the meeting which [U.S. Ambassador] Taylor held with leaders of the National Accord was simply an exchange of views."

Perina added: "Moreover, the subject of human rights is a universal issue, I do not see why anyone should get upset about the fact that this subject was discussed. If our government proclaims loudly that we live in democracy, this means the existence of various views."

Perina said that "ambassadors preceeding Taylor did the same. Therefore, this is not something without precedence. He followed in the previous ambassador's footsteps."

The former party president went on to say that "intervention, for example, would be to propose changes in the current structure. This was only a chat. Therefore, all this is in line with the preaching of the progovernment press in favor of political pluralism."

The Christian Democratic leader added: "Moreover, I believe that government circles have magnified this event to an extreme. The opposition politicians have responded with courtesy to the U.S. diplomat's interest. Let us judge it from this point of view and not with ill-intentioned purposes."

Colorado Deputy Criticizes Taylor

PY062249 Asuncion ULTIMA HORA in Spanish 6 Jan 86 p 10

[Excerpt] Ruling Colorado Party spokesmen have criticized the meeting that U.S. Ambassador Clyde Donald Taylor held with the opposition parties making up the National Accord, most of which have not been granted legal recognition.

In response to a question put to him this morning, Deputy Adolfo Zayas said he was not aware of the details of the case because he had been out of town. However, he said: "In principle, I would say this type of thing involves intervention in the domestic affairs of a country."

Colorado Party Executive Board Vice President Ruben Stanley refused to comment on the issue because, he said, he was not aware of the details as he too had been out of town."

OPPOSITION FEARS NO DIALOGUE POSSIBLE

PY031732 Paris AFP in Spanish 1846 GMT 2 Jan 86

[Text] Asuncion, 2 Jan (AFP) -- Opposition members stated here today that the project of forming a multiparty group to coordinate the reconciliation among all the Paraguayan political sectors for a democratic opening will stumble over the inflexible attitude of government hardliners, who refuse to recognize that there is no democracy in the country. The discussion which started after Radical Liberal congressmen announced the creation of a multiparty group has disappointed members of the irregular opposition, gathered around the National Accord coalition.

Leaders of the accord who were interviewed by AFP have praised the willingness of some government leaders to start talks with the opposition through the multiparty group, but remarks by other leaders of the ruling Colorado Party, who discarded the possibility of talks with the irregular opposition, have provoked pessimistic reactions in the church, as AFP learned in talks with leaders.

The official government newspaper, PATRIA, has commented in an editorial that if the unrecognized opposition wishes to take part in the dialogue it has to obey the law and be recognized by the Central Electoral Court. Nevertheless, influential leaders of the traditionalist sector of the ruling party are willing to meet members of the National Accord, as stated by some of them who were contacted by AFP but who prefer to remain anonymous. The discussions related to the multiparty group have caused the expectations of the Paraguayan people to rise. They are unaccustomed to flexibility in their government leaders. These discussions were announced a few days after the Catholic Church confirmed its decision to start a national dialogue among all sectors of the population.

Fernando Vera, president of the Febrerista Revolutionary Party (PRF), which has been recognized but has decided to stay out of the process, said that his party will not engage in sectarian maneuvers to push aside the members of the National Accord. He explained that the true opposition to the government of General Alfredo Stroessner will sit at a negotiating table only if the state of siege in force in the country for the past 31 years, and repressive measures are lifted, and if there is a real freedom of the press. Vera reasserted that a dialogue between the opposition and the government cannot lead to anything positive if the principal protagonists are left out. Whether it pleases the government or not, the Authentic Liberal Radical Party (PLRA) and the Christian Democratic Party exist. To proclaim them irregular proves nothing but the intolerance of sectarianism, Vera added.

On the other hand, Waldino Lovera, current chairman of the National Accord and head of the dissident Colorado Popular Movement (Mopoco), has demanded a broad amnesty for all political prisoners and exiles before the dialogue. In reply to a question by AFP, Lovera said that the founder of the official Colorado party, Bernardino Caballero, granted amnesty to all his countrymen in an unforgettable message to the National Congress in 1881. Lovera added that Caballero invited all exiles to return to the country to work for national reconstruction after the war against the Triple Alliance (Argentian, Brazil, and Uruguay), and even offered to pay for their trips. Lovera concluded that amnesties are frequently used as a means of political reconciliation.

Colorado Leader Views Dialogue

PY042010 Asuncion EL DIARIO in Spanish 4 Jan 86 p 9

[Text] Pedro Hugo Pena, the political secretary of the Colorado Party, has stated that "the members of the so-called Mopoco [Popular Colorado Movement] must appear before the party's authorities, acknowledge that they have made a mistake, and subject themselves to party discipline because they have been expelled. After they have done this, we will see what we can do with them, whether they will be allowed to become members again."

The high-ranking Colorado Party member made this statement when referring to the proposal of the National Accord, of which Mopoco is a member, to seek through the church a dialogue with all the country's political sectors, including the Colorado Party.

Pena said that there is no reason for the Colorado Party to hold a dialogue with the sectors that have been termed "irregular," with the exception of the Febrerista Party.

The political leader also stated that "the Christian Democratic Party should obtain the established number of members and comply with the regulations that are demanded for a legally established party instead of seeking a dialogue. Regarding the Authentic Radicals, he said they should resolve their interparty squabbles.

Pena stated that he has no knowledge of the creation of a multiparty grouping with the opposition parties that are participating in the country's political process. However, he did admit that talks are going on with leaders of the PLR [Radical Liberal Party], but everything is being carried out at the level of individuals, not at the level of organizations.

He stressed that if an institutional dialogue is undertaken with the legal opposition, then matters must be undertaken in another way. "If they want to talk with us, we will impose conditions. They must come to the headquarters of the Colorado Party," he stated.

Pena recalled: "We have been talking with the legal opposition since 1963 through the ballot boxes, because they, too, participate in the elections. Our current talks with Radical Liberal leaders do not commit the party at the organizational level because everything is being done at the level of individuals."

CHURCH COMMITTEE VIEWS POLITICAL SITUATION

PY042341 Paris AFP in Spanish 2352 GMT 3 Jan 86

[Text] Asuncion, 3 Jan (AFP) -- Unable to obtain solutions through political parties, Paraguayan popular movements have endorsed the actions of urban and agricultural labor organizations that are determined to gain strength despite the government's repression, according to a report drafted by the National Committee of Churches to which AFP had access. The Committee of Churches, which up to less than 1 month ago was made up of representatives from the Catholic Church, the German Evangelical Church, and the Disciples of Christ, until the Catholic Church decided to withdraw from the organization, is known in Paraguay for the apolitical assistance that it has given to workers, campesinos, and the politically persecuted for the last 15 years.

Focusing on the Paraguayan political situation in 1985, the analysts describe as courageous the role assumed by peasants and union leaders who have managed to reorganize their organizations. Despite having promoted the popular cause in a nonviolent tone, the analysts say, these leaders were charged with being communists and agitators and sent to jail. The report predicts that so long as these organizations manage to grow and gain strength, they will lead the way toward solving the current political and socioeconomic crisis, unless the political parties are once and for all able to rise to the people's expectations and play a leading role, after being gagged for so long by the military.

The Committee of Churches' analysts stress as almost a fact that while President Alfredo Stroessner continues to live no orderly procedure for the succession will be undertaken. They also attribute to a Stroessner political ploy the emergence of antagonistic infighting to obtain the leadership of the ruling Colorado Party Executive Board between two internal factions: one of them -- the militants -- answer to the president, and the other -- the traditionalists -- groups the party's civilian oligarchs.

According to the report, through this political ploy the president will be able to gauge just how far the presidential ambitions of some members of his group go. The The document emphasizes that in Paraguay it can be said that there is no process for the succession to power. The report adds that what could happen now is a public exposure of the internal power struggle being waged within the regime by those who are trying to strengthen their positions in order to take advantage of the power vacuum that would be created if Stroessner died unexpectedly.

In view of the nature of this system, which is based on personalism and verticalism, the document continues, it is very possible that the Paraguayan people will once again be unable to elect Stroessner's successor, but it is undoubtable that the recovery of democracy is not far off, because Paraguay cannot be blind to the current Latin American trend.

Contrary to the opposition announcement that the regime is falling apart, the whole repressive apparatus is still very entrenched. Regarding the future role of the collaborative, or congressional, opposition (Liberals and Radical Liberals), the report highlights the fact that this opposition is fully aware of the electoral farce, but its future depends on its good behavior toward the government.

The report says that the collaborative opposition realizes the political credence that the government obtained through its participation in the democratic opening process. In exchange, these opposition members obtain only congresssional and municipal salaries.

Regarding the role of the four-party opposition coalition, the National Accord, which is not recognized by the government, the analysts indicate that due to the crumbs that the ruling party hands out, the members of the coalition believe participation is not justified and they prefer abstention. The report says that this abstention is not accompanied by political activity that would lead to the mobilization and organization of the ever-growing political and social sectors. The document makes it clear that the National Accord is still following a defensive policy and that it is incapable of taking the initiative.

FISHERIES MINISTRY BUILDING IN LIMA BOMBED

PY061341 Madrid EFE in Spanish 1305 GMT 6 Jan 86

[Text] Lima, 6 Jan (EFE) -- A terrorist attack was perpetrated this morning against the Fisheries Ministry building in Lima. Three dynamite sticks exploded at the door of the building and shattered its windows. It is believed that the attack was carried out by members of the Maoist Shining Path organization.

BANK, GOVERNMENT WORKERS OBJECT TO SUMMER HOURS

PY032310 Lima Panamericana Television Network in Spanish 0200 GMT 3 Jan 86

[Excerpts] A group of bank employees has protested against the new summer schedule by staging a stoppage; the public could not withdraw money from the bank after the long year end bank holiday. The stoppage was partial, and Lima Prefect Jorge del Castillo personally intervened to keep the Industrial Bank open for business.

A similar incident occurred at the (Bise) Bank; it was closed for business on account of the 48-hour strike declared at the bank. Business went on as usual at the Peruvian Commerce and Construction Bank, better known as Banpeco, as well as at the Credit Bank of Peru.

The new summer schedule affects nearly 70 percent of the bank employees, who have to work half an hour longer than before. They are refusing to do so. The secretary general of the Bank Employees Federation Jorge Villasanti said that the government should revoke the resolution whereby working hours are increased.

[Begin Villasanti recording] Another meeting was called today by the coordinating group of all the unions affected by this unconstitutional Decree 107 promulgated by the Alan Garcia government. All workers are rejecting this decree because it is unconstitutional and illegal. In Peru, where we purportedly have a state of law, work contracts cannot be violated by a government decree, and the constitution says so. What we are doing is defending the constitution and the state of law in Peru. [end recording]

Civil servants did not comply with the order by CITE [International Committee of State Employees] for public administration workers to leave their offices at 1330, disregarding the new schedule, which requires them to stay until 1545. From 2 January through 31 March, the summer schedule, with hours from 0745 to 2545, is officially effective.

FOREIGN MINISTER VIEWS CONTADORA GROUP EFFORTS

PA032124 Caracas EL NACIONAL in Spanish 24 Dec 85 p D 1

[Text] For Foreign Minister Simon Alberto Consalvi, 1986 will be a decisive year for Central America.

At the request of journalists, Minister Consalvi made a statement yesterday which dealt mostly with the Central American situation, the difficulties confronting the Contadora Group and its prospects for next year, and the effects that the change of government in three of the five countries in the area will have on the current crisis.

Regarding the Contadora Group's actions and possibilities, Minister Consalvi said:

There is no doubt that the Contadora Group is going through a period of serious difficulties, which must be cleared up during the first weeks of 1986.

He added that the Contadora and Support Group foreign ministers are looking forward to meeting in Guatemala during President Cerezo's inauguration. Representatives from the Central American countries will surely be there, making it a suitable occasion to review the situation in general and to make decisions as warranted.

He said: At no time has the process been easy. As we have said before, it is a Latin American experience which for the first time seeks a Latin American solution for the regional conflict.

In Consalvi's opinion, the Contadora Group's efforts are indeed meritorious. He said that for 3 years the countries involved have been engaged in consistent and persistent efforts. The Contadora Group has spared no effort and has done everything possible to maintain understanding among area countries.

He noted that the work performed by the plenipotentiaries is worthy of praise.

Consalvi then added that it is necessary to admit "the great difficulties in the region; the reservations or mistrust existing among the countries; the internal conflicts seriously affecting the quest for peace, since, obviously, negotiations are quite complex for countries with internal conflicts."

However, considering all these factors, we must admit also that the Central American countries have shown goodwill throughout the process, he stressed.

After all, the Contadora Group began its efforts with the concurrence of the Central American countries; otherwise, it would not have been possible to foster the process or to conduct efforts that mainly require political willingness from the Central American states, he emphasized.

Regarding the Contadora Group prospects for next year, Consalvi said:

I believe that 1986 will be a decisive year for Central America. Three new governments will be installed in three of the five Central American countries. They will be governments elected by the people, in pluralist societies, which represents a movement towards democratization in the region. As we know, the region has been under the domain of dictatorships or de facto governments for most of the 20th century, with the exception of Costa Rica.

He added: The Contadora Group countries have been and will continue to be flexible, as this is our obligation. I am sure that we will have a positive reply from the Central American governments, whose peoples can endure no longer the state of war, the situation of poverty, and economic crisis that is a result of violence.

As an example, he recalled that inter-regional trade has hit levels never achieved before.

Consalvi believes it is necessary for the international community, beginning with the United States and including the EEC and Latin America, despite individual difficulties, to make a special effort to contribute as much as possible to consolidating democratic and pluralist regimes in the region, and "to work hard in order to give special attention to the requirements for economic development."

In the opinion of Minister Consalvi, 1985 was a particularly active year in the international field. Our foreign policy was geared toward the creation of a suitable climate for economic negotiations among the Latin American countries, like our participation in the Cartagena Consensus, as well as in regional and international political forums. It was a year of intensive work.

He then stressed that effective 1 January, Venezuela will become a member of the UN Security Council for a 2 year period.

He said: In this manner, we will assume a serious responsibility, because the UN Security Council is the paramount international political organization, and it deals with the most important conflicts of modern times.

At the council we will reaffirm the fundamental principles of our foreign policy, including our support for the struggle against terrorism, which is a factor of destabilization and disturbance on the international scene.

BRIEFS

NEW AMBASSADORS -- The Foreign Ministry has announced that Venzuela will appoint new ambassadors to the United Nations, Switzerland, Brazil, Panama, Jamaica, Guyana, Austria, and Belgium. The ambassadors will be former Justice Minister Andres Aguilar to the United Nations, Senator Domingo Urbina Cabello to Switzerland, Fernando Gerbasi to Brazil, Enrique Peinado Barrios to Panama, Cesar Rondon Lovera to Jamaica, Hugo Alvarez Pifano to Guyanan, Francisco Sucre Figarella to Austria, and Jose Antonio Olavarria to Belgium. [Text] [Caracas EL UNIVERSAL in Spanish 26 Dec 85 p 1 PA]

TEXT OF DE LA MADRID TOAST TO U.S. PRESIDENT

PA070337 Mexico City THE NEWS in English 4 Jan 86 pp 1, 14

[Toast by President Miguel de la Madrid on the occasion of visit by President Ronald Reagan; in Mexicali on 3 January]

[Text] Your Excellency, the President of the United States of America, distinguished members of your party, ladies and gentlemen:

The talks that President Reagan and I have held today represent significant progress in the efforts of our governments to promote increasing cooperation in matters linked to the relations between our two countries.

We have identified factors that encourage a climate conducive to bilateral ccoperation. We have also agreed on the need to continue nurturing dialogue so as to take full advantage of all available avenues of communications and consultations.

President Reagan:

Our talks have once again revealed the very complex mosaic that makes up the links between Mexico and the United States. The number and diversity of such links, as well as areas for agreement that would benefit both peoples, are enormous. Our talks have also confirmed our shared will to encourage mutual understanding, joint action and reciprocal benefit.

We should underline the positive aspects of those relations -- progress and accomplishments -- but we must also recognize their deficiences and limitations.

Progress has been made in a number of areas. There is respectful and continuous political communication in international problems. We have made progress in trade negotiations; in cooperation to eliminate pollution problems along our border; in combating drug trafficking; in the useful participation of your government and of different United States private banks in the restructuring of our foreign debt, and in general, in the daily, abundant movement and positive flow of goods and services in both directions.

But, just as our relations in all areas have been intensified and opportunities for cooperation have increased, the potential areas of conflict that we must guard against and prevent have also grown.

Mr President: We have agreed that common problems demand concerted solutions. To benefit healthy short- and long-term relations, it is to both countries' advantage to solve matters that are pending and to foresee differences, in order to keep them from becoming controversies. An outstanding item on the bilateral agenda is Mexican migratory workers, recognition of the contribution they make to the United States and the Mexican economies and the need to guarantee their human and labor rights. It is also essential to increase support for border cooperation in both economic and cultural areas. Solving pending fisheries matters, moving forward in the clean-up of environmental pollution in the border zone and putting the treaty on maritime boundaries into force are also topics that warrant our highest consideration.

The drug trafficking problem will continue to call for priority action by our governments. We must act simultaneously and in coordination, with equal force and effectiveness, to do away with the production, the marketing and the use of narcotics, the various aspects involved in the sequence of this terrible international crime.

Now, more than ever, the economic side of our relations demands careful attention. Broader, more diversified and more equitable cooperation could yield significant benefits for producers and consumers on both sides of the border. As governments, we should do even more to promote trade and the flow of financing, technology and tourism between our countries, while recognizing the difference between our levels of development, and the fact that it is neither advisable, nor even possible, to apply criteria of strict reciprocity in such areas.

Mr President, during the years in which you and I have headed our respective governments, progress has been made in that direction. Nonetheless, there is still much that we can do.

Mexicans have made increasingly strenuous efforts in the last three years to cope with the country's severe economic crisis. My people have responded to this uncommon challenge with exemplary responsibility. We have acknowledged our problems truthfully and taken firm and decisive action. With determination and sacrifice we have tried to meet the fundamental requirements of our country's development, and at the same time, to fulfill the obligations contracted with the international financing community. However, the challenge is growing even greater because of adverse international factors, as shown by the dramatic instability of world raw materials, prices and the negative flow of foreign financing.

Just a few days ago, in Uruguay, the countries of the Cartagena Consensus approved the Montevideo Declaration, which contains proposals for solving Latin America's foreign debt and economic growth problems. They also presented a general but conclusive diagnosis of the grave deterioration of Latin American economies in recent years, and the consequent decline in our living standards.

In Montevideo, the countries of Latin America unanimously agreed on the following conclusions:

-- Exceptional efforts have been made to reorder the various economies, but no amount of internal effort can make up for the effects of the extraordinary deterioration of international economic conditions.

-- Even the most severe adjustment measures attempted by any Latin American country are insufficient to compensate for the extremely heavy burden of the foreign debt services; in order to pay we need to grow.

-- Adjustments within a country do not suffice, either, to neutralize the loss of resources caused by the falling prices of Latin American exports, subsidies to products that compete with them, or market protectionism.

-- Latin America's lack of growth generates serious social problems that open the doors to political instability and jeopardize the consolidation of the democratic process.

-- The international crisis must be addressed in its overall context, giving due weight to the aspect of financing, trade, investments and the transfer of technology.

In view of the above, acting realistically and with a constructive purpose in mind, the Cartagena Consensus countries have proposed a set of measures that are accurately summarized in the Montevideo declaration. These proposals should be given urgent attention by industrialized countries in a spirit of shared responsibility.

The United States Government has recently taken measures that represent a step forward in the recognition of that shared responsibility and of the need for political dialogue to solve the debt problem.

This is how we understand your proposals, as expressed by Secretary Baker. We trust this attitude will be reinforced and will become the starting point for imaginative, efficient formulas.

It is my hope that our countries will move resolutely onward toward a new era of hemispheric cooperation for development.

The industrialized countries also have much to gain from a solution imposed by the convergence of interests. Overcoming the economic crisis of Latin America would strengthen world trade, place international finances on a sound footing and raise the levels of employment, investment flows and technology transfer.

President Reagan, in addition to the economic disarray, the world is faced today with grave political tentions. Nuclear stockpiling, arms escalation, terrorism and regional conflicts, all within a climate of estrangement rather than detente, represent a dangerous mixture.

Therefore, Mexico is very pleased to note the steps taken to renew the dialogue between the United States and the Soviet Union. We hope that this process will continue and will lead to detente and disarmament and that the resources now being used for military weapons will be invested in worldwide social and economic progress.

Global detente would help at the same time to dissipate the conflicts that menance world peace in various regions. At the roots of such conflicts are longstanding and profound social and economic imbalances, as well as the lacking effectiveness of political institutions.

We find the most immediate example of this scenario in Central America. Today, you and I again considered the importance of finding a peaceful and negotiated solution to this conflict, which threatens to spread. A warlike situation in the region would entail grave risks to the political and economic stability of a large part (of) the continent and a high cost in intra-American relations.

Mexico will persist without respite or faltering in its effort to find an overall solution that respects the legitimate interests of all the countries involved and that affirms the principles of the self-determination of peoples, non-intervention, the peaceful solution of conflicts and cooperation for development.

Mr President: Our being neighbors is a fact of geography; our being good neighbors is a situation that implies good will and understanding.

The United States and Mexico are countries with deep institutional roots; societies with a democratic vocation, proud of their past and firm in their convictions, regarding a future of liberty, justice and well-being. Our historical experiences should be a source of renewal and indicate the avenues leading to mature and constructive international cooperation.

I cannot conclude these remarks without conveying to you, President Reagan, Mexico's gratitude for the expressions of friendly solidarity that, on the occasion of last September's earthquake, we received from the Government of the United States, from private institutions, and from countless generous individuals who came to our assistance in a spirit of high humanitarianism. The presence of your wife, Nancy Reagan, was a comfort to us and bore witness to her understanding in the face of hardship.

Mr President, please accept once again the expression of our esteem for the people of the United States and of our confidence that the governments, private institutions, and individuals of both countries will redouble our efforts to make our relations a continuous expression of cordial and productive coexistence, strengthening our situation as neighbors in an atmosphere of mutual respect for our sovereignty and in honorable and loyal friendship.

Thank you very much.

PRI President Praises Summit

FL061954 Mexico City NOTIMEX in Spanish 0240 GMT 5 Jan 86

[Text] Mexico City, 4 Jan (NOTIMEX) -- The meeting of the presidents of Mexico and the United States has strengthened the truly friendly relations between the two peoples, Senator Adolfo Lugo Verduzco, president of the Institutional Revolutionary Party [PRI], said today.

Commenting on the meeting of Miguel de la Madrid and Ronald Reagan, the PRI leader said that the foreign political activity of the Mexican Government is based on eternal principles and its exercise of national sovereignty. Lugo Verduzco added that the meeting of the Mexican and U.S. chief executives in Mexicali, northern Baja California, has contributed to the search for solutions to common problems and to the exchange of opinions on regional and world problems.

President Miguel de la Madrid insisted that the solution to the international crisis be linked to the problems being faced in finances, trade, and technology transfer, he said. It is again clear that our country is facing up to the international crisis by proposing concrete, realistic initiatives, Senator Lugo Verduzco said, eveluating the meeting of the two presidents.

The furthering of our development objectives as an independent nation and as a society that is in the process of transformation is a task that requires decision and a clear sense of direction that takes into account both the domestic and foreign fronts, he added. Lugo Verduzco said that at the meeting of the two presidents Mexico insisted on the need to find peaceful solutions to international controversies, progressing along the path of detente, disarmament, and cooperation.

SECURITY UPGRADED AT INTERNATIONAL AIRPORT

PA031907 Mexico City XEW Television Network in Spanish 1300 GMT 3 Jan 86

[Text] Yesterday Carlos Padilla, general manager of the Mexico City International Airport, said that security measures have been increased at that airport to prevent a terrorist attack. Padilla said that this year the airport will be fitted with new, sophisticated equipment that will effectively prevent any kind of terrorist attack in either the airport or the planes that depart from the airport.

Padilla said that a large part of the budget assigned to the airport has been used to acquire the equipment necessary to prevent the smuggling of weapons into the airport.

OFFICIALS RESIGN OVER SAN LUIS POTOSI VIOLENCE

PA070333 Mexico City THE NEWS in English 4 Jan 86 p 4

[Excerpts] San Luis Potosi - Nine key state government officials and six high-level aides of the newly installed mayor of this state capital have resigned in protest of brutal police attacks on demonstrators of the opposition National Action Party and the Potosi Civic Front.

Resignations started pouring in Thursday and continued Friday from disgusted government officials -- all members of the PRI -- who condemned the police violence.

Armed with yard-long lead pipes and assisted by San Luis Potosi State University youths, about 50 state judiciary police Wednesday attacked the demonstrators, who were protesting the installation of Mayor Guillermo Santos Medina. The protesters claimed the PAN candidate had been cheated out of his rightfully won victory in a recent election.

The Unified Mexican Socialist Party (PSUM), the Mexican Workers Party (PMT) and the Revolutionary Workers Party (PRT) joined the PAN and the Civic Front, their usual conservative opponents, in demanding the ouster of the state governor and his cabinet.

To mollify his constituents, the governor promised an in-depth investigation of those involved in the violence and said he will be "impeccably" honest in applying the law against those found guilty.

Local television Channel 13 ran full coverage of the events with scenes that identify the men setting fire to the City Hall and show state policemen, headed by their chief, in violence against the protesters.

The governor said he had not seen the televised report and asked reporters to obtain the film for him.

Armed troops have joined police in patrolling the city.

LA PRENSA NOTES NORIEGA CHARGES, QUESTIONS MOTIVE

PA062026 Panama City LA PRENSA in Spanish 6 Jan 86 p 1 A

[By Franklin Bosquez D'Giovanni]

[Text] A U.S. Army officer based in the Canal Zone who was consulted by LA PRENSA did not hide his surprise over a statement made yesterday by Panamanian Defense Forces [FDP] Commander General Manuel Antonio Noriega, who said there is a "terrorist commando" whose main objective is to attack the installations of the interoceanic channel.

The "scoop" provided by Noriega has been reported around the world. All the international news agencies have been "picking it up" because it is so spectacular.

This is the first time an important Panamanian official has spoken of attacks on the Panama Canal since 1977, when the late General Omar Torrijos Herrera, who at that time was head of government and commander of the National Guard, stated that if the U.S. Congress had not approved the treaties signed by him and Jimmy Carter the National Guard would have destroyed the canal installations.

Torrijos made that statement in answer to foreign newsmen's questions about what his reaction would have been had the North Americans not signed the treaties.

In an exclusive interview with LA ESTRELLA DE PANAMA, Noriega said that the alleged "terrorist commando," in addition to attacking the canal, would obstruct maritime travel and strangle Panama's "peace efforts."

The general also said that intelligence information "sought and secured by special elements" has served to confirm that a suicide commando, which has as one of its objectives an attack on the Panama Canal, is being trained.

Yesterday LA PRENSA asked important members of the U.S. Southern Command, which is headquartered in the canal area, for their reaction.

An officer said that he was surprised by the information, since he has found out about the existence of the "terrorist commando" through the newspaper.

There was no officer available yesterday at the Southern Command who could inform LA PRENSA of the official U.S. Army reaction to the statements by Gen Noriega. A duty officer said, however, that by today there would certainly be a reaction.

Noriega also said that there is essential intelligence information indicating that a terrorist commando is being trained in the (Latin American) region to carry out these attacks.

Noriega stated: "The essential elements that are available indicate that a terrorist commando group is being improved, that it is becoming familiar with the environment to know Latin American characteristics and to be able to hit U.S. interests."

In Panama, political observers have viewed Gen Noriega's statements as "a tactical excuse" for creating "a climate of uncertainty" in the country to justify the application of the "national security" doctrine. This could well lead the Executive Branch to eventually declare a "state of emergency."

The Constitution envisages the "state of emergency." When it is in effect fundamental guarantees are automatically suspended. This includes the right to meet and freedom of expression.

Noriega said that some strategists consider the canal "very vulnerable" because it is "one of the most coveted and covetable targets for a guerrilla commando, for modern guerrilla commandoes who use explosives in their suicide operations."

An expert in military affairs has told the free newspaper of Panama that this statement by Gen Noriega could be interpreted as a clear FDP effort to justify its increasing participation in the canal's defense. It is also an effort to justify the million-dollar budget that the Legislative Assembly approved for it year after year to the detriment of sectors such as health and education.

In his statement to LA ESTRELLA DE PANAMA -- a statement that he did not make to any of the semi-official newspapers of the Renovacion Publishing Company, Inc. -- Gen Noriega connected the possible attack on the canal installations with recent terrorist attacks at the Vienna and Rome airports, specifically on the passengers waiting in the offices of the Israeli airline, El Al.

At no time, however, did Noriega give information about the nationality or nationalities of the members of the alleged "terrorist commando" which, with an attack on the canal, wants "to finish off the climate of peace" that Panama enjoys.

TRANSFERS REPORTED WITHIN DEFENSE FORCES

PA031328 Panama City Circuito RPC Television in Spanish 2310 GMT 2 Jan 86

[Excerpt] The General Command of the National Defense Forces reports on transfers and changes within the institution which were announced today:

G-1 of General Staff	Lt Col Ricardo Garibaldo
G-2 of General Staff	Col Bernardo Barrera
G-3 of General Staff	Col Elias Castillo
G-4 of General Staff	Col Marcos Justines
G-5 of General Staff	Col Alberto Purcell
Police Corps chief	Col Leonidas Macias
Panamanian Air Force chief	Lt Col Lorenzo Purcell
Air Force base chief	Lt Col Eric Aguilera
National Naval Force chief	Capt Guillermo Wong
Naval Operations chief	Capt Jorge Correa
Economic Services	Col Angel Mina
General Jose Domingo Espinar Training Center director	Lt Col Julio Ow Young
Military Supplies	Lt Col Eugenio Corro
Inspector General	Lt Col Eros Ramiro Cal
Joint Commission	Lt Col Rogelio Alba
Combined Junta [Junta Combinada]	Lt Col Roberto Armijo

EL SALVADOR

PROPOSED 1987 ECONOMIC MEASURES CAUSING 'ALARM'

PA031426 San Salvador EL DIARIO DE HOY in Spanish 1 Jan 86 p 4

[Text] There is alarm among the Salvadoran public due to several measures announced by the Christian Democratic government for next year, as these measures will cause a significant deterioration in the population's living standards.

According to unofficial sources, these measures are:

1. A single exchange rate of 5 colones per dollar.

2. Dollar transactions outside the banking system are prohibited and considered a crime.

3. Government corporations are to be established in the United States to intercept personal money orders. These corporations will receive dollars in the United States, which will be paid in colones here in our country.

4. Price controls on the family food supply are to be carried out by the municipal governments.

5. The 5 colones per dollar exchange rate will be applied to petroleum products such as gasoline, oil, propane gas and the like, medicines, and implements for agricultural production.

6. The tariffs on public services will be increased, including electricity, water, telephone, port and airport services.

7. A control on rentals of houses, commercial establishments, and offices will be implemented.

8. There will be a control on public transportation fares -- that is, buses, taxis, and microbuses, as well as on the prices of spare parts, tires, and fuel for motor vehicles.

9. A war tax will be levied.

10. Interest rates on savings accounts will be increased from 12.5 to 15 percent.

11. A 20 percent interest rate will be applied to bank loans.

12. A sales tax will be implemented.

13. There will be a tax on inherited properties and corporations will pay road taxes.

14. Specific taxes will be imposed on specific activities.

15. Import taxes will be increased.

16. Strict control will be exercised to ensure compliance with tax payments in general.

AIR FORCE BOMBING DURING ARCHBISHOP VISIT ALLEGED

PA070247 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Jan 86

[Text] Attention, Radio Venceremos now brings you a last-minute report. This morning, 6 January, the archbishop of San Salvador, Msgr Rivera y Damas, arrived to make a religious visit to the people of Guarjila, Chalatenango Department, in areas controlled by the FMLN. Over 1,000 residents welcomed the archbishop. Suddenly, Dragonfly A-37 planes bombed a nearby place and the archbishop had to seek refuge for fear that the A-37 planes were to bomb the place where he was with the people.

The archbishop was able to see for himself how the bombs were dropped in an area very close to where he was with thousands of villagers. We recall that all bombings are approved and are known by Napoleon Duarte, as he himself has stated.

VENCEREMOS ASKS FOR INFORMANTS, DATA ON TARGETS

PA062303 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 6 Jan 86

[Text] All roads lead to Radio Venceremos in El Salvador! Send us your letters using a pseudonym and send us the addresses of Armed Forces and Air Force members, collaborators, Duartists, and anyone who is guilty of a crime against the people. Collect all the information on possible targets for our guerrilla attacks. Collect information on the criminals' activities, type of vehicle, favorite places, routine, type of weapons, and send it all to the People Mailbox Radio Venceremos.

We remind you to use a pseudonym whenever you write to the People's Mailbox, Radio Venceremos; this is very important.

Watch everything closely in your neighborhood and community, and ascertain what could be the most feasible target for a guerrilla unit, what enemy forces are posed at the site, what types of weapons they have, where the enemy has placed minefields, and how many sentries stand guard.

Watch everything and mark well all the possible targets, such as communication centers, coffee mills owned by the oligarchy, in sum, any installation that could be sabotaged by our revolutionary units. Send us the exact information because the people's information is the key to our victories in the people's war. Send us your letters and report everything. Remember, that all the roads in El Salvador lead to Radio Venceremos!

SUPPORTERS LEAVE TO JOIN PEACE MARCH IN MORAZAN

PA040243 San Salvador Canal Doce Television in Spanish 1900 GMT 3 Jan 86

[Excerpt] Early today many members of the group supporting the March for Peace began their ride to join the peace marchers, who will enter El Salvador through El Amatillo in La Union Department. The supporters of the peace march rallied at 0845 local time in Bolivar Square in San Salvador, boarded several buses, and headed for Morazan Department, where they expect to join members of the march for dialogue and peace initiated in Panama.

Starting at 0600 local time today, many people of several union, student, and humanitarian organizations rallied in the square to begin their support and welcome for the March for Peace.

The marchers were attacked in Costa Rica and refused entry into Honduras. Salvadoran authorities have flatly refused to grant the marchers permission to enter the country, arguing that this would cause disorders and destabilization.

GUATEMALA

ALLEGED DISAGREEMENT BETWEEN MEJIA, CEREZO NOTED

PA061624 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 4 Jan 86

[Text] There are alleged disagreements between Mejia Victores and Vinicio Cerezo. The way in which President-elect Vinicio Cerezo left the Presidential Palace yesterday, avoiding the press, makes one surmise that there are disagreements between him and General Oscar Mejia Victores, the chief of state.

The presence of General Lobos Zamora, chief of the General Staff, and certain military commanders at the Presidential Palace yesterday also allows room to believe that they discussed the appointment of the new defense minister with Cerezo.

Reporters tried to interview the president-elect because it had been said that he was going to announce his cabinet yesterday. However, Cerezo got into his car on [name indistinct] Street, accompanied by other armored vehicles [vehiculos blindados] of his retinue. The press interpreted this as a disagreement with the chief of state concerning the appointment of a defense minister, and consequently Cerezo could not make any statements regarding his new cabinet.

Meanwhile, the government gave its version of the meeting between Mejia Victores and the president-elect. According to remarks by Public Relations Secretary Ramon Zelada, at yesterday's meeting Cerezo received general information about how the military government will turn over power on 14 January.

The official spokesman added that Cerezo asked for all the details and Mejia Victores responded to all his questions. In this way, Cerezo can have an overall view of how the military government will deliver power, he said.

HONDURAS

U.S. TIES VIEWED IN CONTEXT OF WITHHELD AID LOAN

Past Cooperation Reiterated

PA040409 Tegucigalpa LA TRIBUNA in Spanish 2 Jan 86 p 5

[Editorial: "My Dear Ambassador"]

[Texe] El Salvador was experiencing very trying moments. The guerrillas had the government of that country in check. Nicaragua had just fallen. The international press was reporting extensively on what was happening in El Salvador.

There was the impression that in that country the guerrillas were innocent creatures struggling to vindicate man and the government was a ferocious violator of human rights. El Salvador had a terrible international image.

Honduras had experienced successful elections. It had elected deputies to the National Constituent Assembly and its political democracy had been further consolidated with election of the first constitutional president in many years.

That is the way out for these countries, Central American political analysts thought. And thus, an electoral process was forced on El Salvador with U.S. pressure in the midst of a civil war. This was not done to solve the Central American problem as a whole; this was the beginning of a democratization process. Costa Rica, the "Switzerland of Central America," enjoyed a good image in the world, thanks to a number of continuous elections that successfully consolidated its democracy.

But the eye of the hurricane was in Salvadoran territory. Forecasts were grim. It was believed that the guerrillas were getting stronger by the day and that the government was losing the little popular support it had.

There was a need to build a strong civilian government with popular support through an electoral process. El Salvador's fate depended heavily on that. What happened in El Salvador would also affect the rest of Central America.

In turn, all these things affected the national security interests of the colossus to the north. It was already entangled with Fidel, and Nicaragua, in the heart of the American continent, was tightening the screws of Marxism-Leninism even more.

But how could they manage to bring elections to El Salvador? Once that possibility was mentioned in that country, the international left began to move heaven and earth to discredit anything having to do with elections. And as if that were not enough, there was fear that the Salvadoran Army could not bear such a burden for long. They needed to train soldiers. But apparently, that was not in the best interests of the gringos, or they did not want to train them on their territory. Therefore, the issue involved a contribution by other Central American countries to promote democracy in neighboring countries.

That is when the CREM [Regional Military Training Center] was imposed on Honduras. With all the problems that it entails, for good or bad, Honduras gave more than its share of the contribution with this. All this for the sake of democracy in Central America. And the gringos rejoiced because this solved the problem momentarily. They had a good ally in Central America: Honduras. And Honduras also spoke on their behalf in the Contadora Group. Thus, Hondurans were good kids; they were terrific friends of the United States because they not only defended their own interests, but also defended the interests of all Central Americans and the United States.

Negroponte left and they sent us a new ambassador. Mr Ferch comes from Cuba. He was not here to witness with his own little eyes what we are now telling you. And now the ambassador is saying that no more payments from the financial assistance package will be made because Honduras "has not complied with all requisites."

Can you believe this? They say that we have not complied with requirements. As for this issue of noncompliance, the technical language is complex. Unfortunately, we know nothing about such a mess. What requirements is the friend to the north asking its ragged friend to comply with?

My Dear Ambassador: Honduras has done more than comply with the requirements. We allowed the water to reach our necks in order to comply with the requirements. The time has come for others to comply with us.

Government Responds to U.S.

PA050343 Tegucigalpa Voz de Honduras in Spanish 1145 GMT 3 Jan 86

[Station commentary]

[Excerpt] Courteously but firmly the Honduran Government has answered a diplomatic note signed by U.S. Ambassador to Honduras John Ferch, who on 20 December addressed Ubodoro Arriaga Iraheta, Honduran secretary of the presidency, and summed up what, according to the U.S. Embassy in Honduras, has occurred with the loan that should have been disbursed to Honduras in October. According to Ambassador Ferch, Honduras has not liberalized foreign trade, as the two governments had agreed to through the joint working commissions. While the Honduran Government feels that the goals in foreign trade liberalization have been fulfilled, the Reagan administration feels differently, and for this reason has disqualified the measures proposed by Honduras and is disregarding them unless they appear as a resolution of the Central Bank board of directors. Then, Washington will accept and acknowledge them.

This means that, despite Reagan's pledges. Honduras will not get any money for the economic recovery program if it does not meet the U.S. demands. In a communication dated 30 December, secretary Arriaga answered the note from the Reagan representative to Honduras by stating that Washington has not complied with the loan agreement signed in May by Presidents Reagan and Suazo Cordova, since the remaining portion of the $50 billion loan was not disbursed in October, as had been agreed upon. The Honduran Government reasserted this in its official communique released yesterday and broadcast this morning through this radio station.

Secretary Arriaga and the information office reiterate that, according to the Honduran ad hoc commission, the prerequisites and terms have been fully met. The Suazo administration wants to express very clearly that, at this time, any discussion would be fruitless and extemporaneous because only a few days are left before the coming administration is to assume office. Nevertheless, in order not to affect the next government, the secretary's message has stressed that the negotiations between the Agency for International Development and the new government can continue, even after this administration has completed its term. In the last paragraph, the answer from the Honduran Secretariat of the Presidency makes it very clear that the needs of this government's last weeks will be met through domestic resources or through the assistance of friendly governments, and the Secretariat expresses its firm determination not to discuss the matter again with Washington and its envoys.

This report has been interpreted in a number of ways. Some analysts have related it to the Honduran Government's reluctance to go on tolerating anti-Sandinist rebel groups operating from Honduras. This appeared evident when an aircraft full of supplies for the contras was returned. This had been described as humanitarian aid.

A great uproar was created because the shipment was accompanied by photographers and journalists who would have served as witnesses in the operation that would have made us appear as interventionists in the eyes of the world. For others, Washington's not disbursing the rest of the $50 million loan approved in May that should have been delivered in October is an additional pressure on Honduras -- feeling asphyxiated -- to surrender, to make a decision for the parallel exchange market, and, consequently, to let the national currency devalue.

Whether Washington imposes terms that Honduras cannot accept [10 second break in transmission] save our currency or serves as a springboard for foreign forces, we face a sad reality. Our country has been offered economic assistance tied to demands that often insult our dignity, that affect us by projecting a distorted image of the country, or that harm our sovereignty when the United States demands more than what a creditor is entitled to ask for.

'Subservience' Seen

PA070247 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 6 Jan 86

[Station commentary: "Pressure From the U.S. Government"]

[Text] According to Honduran Presidency Secretary Ubodoro Arriaga, the U.S. Government, through its embassy in Tegucigalpa, is pressuring Honduras into devaluing the lempira by making a $50 million U.S. aid final disbursement on a loan intended to assist Honduras in meeting its balance of payments conditional on devaluation of the lempira. U.S. Ambassador John Ferch himself confirmed the information in a letter he addressed to the Honduran Government, explaining that the reason for withholding the funds is that the Suazo Cordova administration has failed to meet its obligations, and that -- and this is implied in Mr Ferch's letter -- this being the case, it is inadmissible that the organizations charged with making the final disbursement be blamed for the delay in its release.

The cooling of relations between the Suazo Cordova and Reagan administrations as the former's term is about to end is unimportant. As a fellow editor recently wrote, President Suazo is of little interest to the United States at this point in time, when the new government will assume power in less than 1 month. Quite true. The United States is interested in these little countries only inasmuch as they affect U.S. policy toward Central America, and it takes our leaders as far as they are willing to go, give in, and be subservient.

The most unfortunate mistake the Suazo administration committed was to believe that subservience to the United States would be sufficient to guarantee that a steady supply of dollars would uninterruptedly flow into Honduras. This misjudgement cost Honduras not only injured national pride. The country also lost valuable opportunities to negotiate increases in financial assistance. However, the government's steadfast allegiance to the U.S. cause led the government of that country to believe that it had no reason to fret over Honduras, because this country's government was willing to defend the United States with more dedication than any U.S. national himself.

The Honduran administration could have been more independent. However, the course our government followed was charted by then military strongman General Gustavo Alvarez Martinez, who believed that it was all or nothing with respect to the United States. President Suazo fully concurred, and proceeded to compromise the little independence his government had left.

No Honduran leader must believe or say that the best way to maintain a close relationship with the Americans is to be subservient. This sour experience must stand as a lesson for the future. The United States will continue to behave as it always has, responding to its interests in the region. Every penny Washington gives or loans us will be measured against that overriding concern. It is strictly business. The Americans are practical in this respect. Pity or sentimentality will not move them.

It is a fool's dream to believe that they will run to our rescue simply because we hold elections. The Suazo administration was amiss on this. There were naive Hondurans who believed that the United States would lend unprecedented economic support to the Suazo administration because it was elected by a landslide. But the day came when they had to face a stark reality: The U.S. Government -- as the pragmatist it is -- gives only as much as it believes needs be given. That was what happened. The Americans gave this government strictly what it asked for. Moreover, we traded in all our bargaining chips too easily, and obtained very little in the process. This is why we do not know how accurate it is to believe that the financial cutback -- if that is what the withholding of the $50 million by the USAID is -- is part of a plan to pressure Honduras into devaluing its currency. We find it hard to believe that the United States is attempting to strangle Honduras by forcing it to devalue its currency.

The U.S. Government might be suspicious of the use the Suazo administration -- which has been proxy to foreign countries' interests -- will give to the funds, given that it has only a few more days left in power. In the past Honduras has been the source of much speculation in that regard. Many administrations have squandered and mishandled public monies in the final stages of their administrations. It is possible, then, that the Americans prefer to hand the funds over to the new administration, which during the next 4 years will have to answer to its powerful ally. It seems that the Americans prefer to give the funds to the Azcona administration and that they will not hand over funds without tangible and substantial concessions.

Alliances must not deceive us. We must not believe that we can find better allies in other parts of the world. Allies always seek satisfaction for their own political or economic interests. We have maintained unshakable ties of friendship with the United States. However, the United States or any other country -- notwithstanding how friendly it may be -- must defend its own interests. It will not make concessions or lend anything without obtaining a benefit from that action. We must understand this well in order to plan our future. Any administration that yields national resources without negotiating or intelligently looking after the nation's interests will repeat the same mistake of falling into a policy of subservience, which has served us so little during Suazo Cordova's administration. Its mistake must be a mirror into which the new president, Mr Azcona, must gaze, particularly now, when he is beginning to receive invitations to go to Washington to begin building a relationship with the Americans.

CATHOLIC CHURCH DENOUNCES GOVERNMENT PERSECUTION

PA062205 Panama City ACAN in Spanish 1925 GMT 6 Jan 86

[By Francisco Javier Mejia]

[Excerpt] Tegucigalpa, 6 Jan (ACAN-EFE) -- The Catholic Church of Honduras today denounced the persecution and torture of some of its members by the government's security corps in the central region of the country.

According to Father Angel Castro, a group of 12 members of the Honduran Army's "Cobras" Specialized Squadron for anti-insurgency struggle arrested Father Eduardo Mendez last Saturday. Mendez, who had participated in a spiritual retreat accompanied by a group of children and their parents, was walking through the place known as Puente Bacadillas when he was arrested. The soldiers handcuffed the priest and forced him to lie on the floor of a vehicle where Pedro Marquez, president of the community council at the village of Cerro Azul, also laid handcuffed, it was reported by Father Castro. Likewise, police arrested former seminarian Fidel Sevilla, who was arrested and tortured a year ago and was accused of participating in subversive activities.

The Episcopal Conference of Honduras has released a document stating its position in this concern and protesting "the abuse against Father Mendez and his companions." Comayagua Bishop Monsignor Gerardo Scarpone, whose jurisdiction includes Father Mendez' parish, was in the United States at the time of the arrest but has indicated that he will investigate the matter and issue a statement.

NICARAGUA

FOREIGN MINISTRY PROTESTS HONDURAN BORDER ATTACK

PA061322 Managua Radio Sandino in Spanish 1245 GMT 6 Jan 86

[Protest Note issued by the Foreign Ministry on 5 January 1986 -- read by announcer]

[Text] To his Excellency Edgardo Paz Barnica, secretary of state for foreign affairs, Tegucigalpa, Honduras

Mr. Secretary: I am addressing you to denounce a serious incident that I am now reporting to you:

On 4 January, Honduran troops attacked a patrol of border guardsmen of the Sandinist People's Army who were at Paso El Carao, 4 km south of Santo Tomas El Nance in Chinandega Department. In presenting its most formal and vigorous protest over this new attack, which joins those of 28 and 30 December, the Nicaraguan Government again emphasized that, in line with international commitments freely made, the Honduran Government must abstain from carrying out acts of aggression against other states. In addition to increasing the tense regional situation, this type of action nurtures interests that are foreign to our countries through a path of provocations of border conflicts which, viewed as a pretext, are used by the United States to increase its aggression against Nicaragua.

I take this opportunity to express to Your Excellency the testimony of my consideration. [Signed] Miguel D'Escoto Brockman, foreign minister

ORTEGA HOLDS NEWS CONFERENCE 6 JANUARY

PA060240 Managua Domestic Service in Spanish 0014 GMT 6 Jan 86

[News conference by President Daniel Ortega at the Augusto C Sandino Airport -- live or recorded]

[Text] [Ortega] We take this opportunity to discuss some topics of national and international interest.

All of our predictions about the U.S. Government policy against Nicaragua have been confirmed at the beginning of this year, 1986. Before the year 1985 came to an end, we announced the Nicaraguan Government's views regarding political, military, and defense matters and, particularly, regarding the U.S. Government actions planned for this year, 1986. We have pointed out that this year is dangerous because we are consolidating our revolutionary process and because the U.S. Government will do its utmost to try to destroy our revolution.

This year began with a metting that attracted the attention of Latin America, a meeting between Mexican and U.S. Presidents Miguel de la Madrid and Ronald Reagan. Two problems of interest for Latin America were discussed during this meeting, namely, the Central American problem and the economic and financial problem, which has to do with all of Latin America. Regarding the Central American problem, De la Madrid clearly expressed the Central American peoples' right to self-determination, independence, and sovereignty, his rejection of policies of force, and his support for a negotiated political solution.

In his speech, President Reagan did not mention Central America at all. In keeping with his stance, the Mexican president represents the Central American stance, which is supported internationally in all the world and at the United Nations. That is to say, the Central American problems must have a political and negotiated solution and must not be settled through force.

President Reagan answered this in his weekly message delivered shortly afterwards. His answer clashes directly with Latin America's aspirations and President De la Madrid's correct, mature, calm, and firm stance expressed during his meeting with President Reagan. Here again we have the U.S. President advocating the alleged right of the United States to keep and increase its policy of aggression against Nicaragua. In other words, we have started this year, 1986, with a warmongering, aggressive speech that represents an apology for state terrorism by the U.S. President against Nicaragua.

Other U.S. officials have mentioned the options still left for the United States, such as continuing to support the mercenaries, intervening directly with its troops in Nicaragua, or surrender. Really, this speech is dangerous because the U.S. Government is trying to condition the world and the U.S. people into accepting the possibility of involving U.S. troops in a direct action against Nicaragua. The U.S. Government has said it will never surrender. (Neither) the Congress nor the President would agree to a surrender. And what do they understand surrender to be? The U.S. Government feels it would be humiliating for the United States to accept a peaceful solution.

In truth, the U.S. Government does not want to surrender to peace. I feel no one would consider the U.S. Government weak if it surrendered to peace and accepted a peaceful solution in Central America. Quite the contrary. Such an acceptance would give prestige and credibility to the U.S. Government, should it surrender to peace and cease its terrorist and aggressive policy against Nicaragua.

Unfortunately, the U.S. President and his officials have continued to advocate this policy, we have started this year, 1986, with military exercises in Honduras involving thousands of U.S. soldiers. These exercises have been initiated at the beginning of this year to support the U.S. Government plans against Nicaragua. These exercises aim at supporting more directly the activities of mercenaries concentrated in Honduran territory trying to enter our country.

With the participation of more than 4,000 U.S. soldiers in Honduran territory, more than 80,000 U.S. soldiers have passed through Honduran territory to accustom themselves to the terrain and to prepare to be launched later by U.S. policy against our country.

Our people and combatants have confirmed the defeats the mercenaries have suffered. During the first days of January to date, they have tried to penetrate our territory through the Wamblan and Boca de Pilas areas, near the border with Honduras. To date, the mercenaries have suffered. During the first days of January to date, they have tried to penetrate our territory through the Wamblan and Boca de Pilas areas, near the border with Honduras. To date, the mercenaries have suffered 45 casualties.

In addition to these actions, we must also deal with the joint Honduras-U.S. military exercises and the concentration of forces represented by U.S. and Honduran tactical units, as well as mercenary forces, that are preparing through exercises, including air operations, to launch a larger-scale offensive against our country. Also, FDN [Nicaraguan Democratic Force] mercenary forces are concentrated in Liberia in Costa Rican territory.

As a result of this, we should not be surprised if they tried a large-scale operation involving airborne units, aircraft, etc. in order to gain the attention of the U.S. Congress so it can invest in what would amount to military aid for the mercenaries. Of course, U.S. Congressional approval of aid for the mercenaries would pave the way for the U.S. Government to become more and more involved directly in an action against Nicaragua. This would make a direct U.S. action against our country even more likely.

Also, a U.S. frigate was detected in the Gulf of Fonseca at 1000 local time on 3 January. This is to say that Nicaragua charges that this year, 1986, has begun with the U.S. President's threats, preparations for war, and speeches against the Nicaraguan people's integrity and sovereignty. Therefore, we Nicaraguans must remain alert, accelerate our preparations for defense, and arm ourselves with all the necessary weapons to better face all these military escalations the United States has planned against our country. The United States is even creating a war climate on an international level, threateningly deploying its war frigates against other peoples, such as Libya. The United States has threatened to attack Libya and has claimed the right to attack that nation. Similarly, the United States claims the right to attack Nicaragua and any other country.

We are facing a dangerous escalation on the part of the United States, dangerous actions on the part of the United States that in no way help the peace efforts the U.S. leaders should be making. Neither do they contribute to the efforts of the Geneva talks. These actions by the United States on the international level are a risky reply, a terrorist reply. We do not believe that to want to answer terrorism with terrorism is the most appropriate thing to do.

The United States is becoming known as an international terrorist by its actions. State terrorism is being displayed and defended by the U.S. Government, a state terrorism that has been rejected by international law and by the International Court of Justice, in which we await a ruling that will most surely confirm the U.S. Government's responsibility in its illegal and antijuridical stance, which violates international law, against Nicaragua.

Because of all this, we wish once again to denounce all these actions, which confirm our appreciations revealed at the end of the year, 1985, about the tense future military situation we will be facing in 1986.

We exhort President Reagan to act seriously and maturely; to yield to the peace aspirations of Latin America, the Nicaraguan people, and the U.S. people themselves; to accept a just political solution; and to lay down his aggressive terrorist attitude. He can be sure that Latin America and the U.S. people, themselves, will acknowledge their appreciation. Such a gesture is no cause for humiliation on the part of the United States.

[Unidentified reporter] Commander Ortega, I would like to ask about the note sent by the Colombian Government and Nicaragua's reply, and the status of the present relations between Nicaragua and Colombia.

[Ortega] First of all, we must remember that the U.S. Government is determined to destroy the pacifying efforts of the Contadora Group and the unity of Latin America, to make it vulnerable to the U.S. aggressive policy in the political, military, and economic spheres. It is a known fact that the U.S. Government launched a campaign at the time of the assault on the Justice Palace in which it tried to involve the Nicaraguan Government in that action. Some Colombian press sectors also lent themselves to help this campaign, to the extent of claiming that members of the FSLN had directly participated in the attack on the palace.

The Colombian authorities and military commands -- including the Colombian foreign minister -- emphatically denied such claims and initiated an investigation. In that respect, we recently received a note from the Colombian Government mentioning some issues that concern that government as they refer to arms found at the time of the assault of the palace, some of which arrived in Nicaragua for the FSLN during the fighting against Somoza, and others that belonged to the Somoza National Guard. The Colombian Government also voiced concern over the presence of our interior minister, Commander Tomas Borge, at a mass offered here in a Managua parish, supposedly to pay tribute to the fallen members of the M-19 [19 April Movement] during the assault on the palace.

We have fully clarified the matter of the arms. We are not responsible at all for them. We have explained that the FSLN actually received approximately one-third of the weapons sent, as the rest never reached us, having been diverted to the black market through arms sm gling activities. We also explained that the FSLN did not seize all the weapons belonging to the Somoza National Guard, as thousands of guards fled to Honduras and Costa Rica with their weapons. Therefore, we cannot be held responsible for those weapons, which were later sold by those guards in Honduras and Costa Rica when they had not yet received the U.S. economic support to organize against our country and did not have any prospects for work.

As to the presence of Commander Borge at the mass, we also explained that he was representing the Nicaraguan Government, as the mass was offered dedicated to the memory of the communications minister, Enrique Schmidt, on the first anniversary of his death at the hands of the mercenary forces sent to us by the U.S. Government.

Having made these explanations, we have considered the issue settled. Therefore, there is no longer any reason for concern. We feel this should not serve U.S. policy as an instrument to confront Nicaragua and Colombia. We feel that there is no cause for a confrontation and that the relations between Colombia and Nicaragua will continue to be normal. At the same time, we recognize the role being played by Colombia in the Contadora Group on behalf of peace, and we see no reason for such relations to be affected.

[Reporter] I want to ask you about another topic. Some days ago the government closed Radio Catolica for violating the communications media law. We would like to know if the station will be closed permanently, or will it be allowed to reopen?

[Ortega] That is in the hands of the Communications Media Directorate, which is the organization in charge of attending to these matters. Thus, it will be up to that entity to explain the type of sanctions applicable in this case.

[Reporter] The Episcopal Conference sent a note directly to you asking for an explanation.

[Ortega] I have not received any note yet. I heard the information in the press, but I have not yet received the letter.

[Reporter] Do you believe relations between the government and the church will deteriorate?

[Ortega] I believe that here there is no problem between the church and the government. The Nicaraguan church is respected by the government. The Nicaraguan church is made up of the Christian people of Nicaragua. The priests and religious people practice their faith freely in this country. There are political problems with some elements; therefore, it is logical that there should be some political differences. We want the church -- particularly some Catholic hierarchs who have political positions opposed to the revolution -- to set aside their political views and work toward the unity of the Nicaraguan family. There would be no problems with the government if they in fact behave as pastors of the entire Catholic population, and not only of a part of that population.

[Reporter] In the Mexico-U.S. meeting it has been said that Mexico is happy about the steps taken to resume dialogue between the United States and the Soviet Union, and that world detente could (?positively) influence the situation in several areas of the world. What do you think is the relationship between this and the Central American problem?

[Ortega] I think that all of these U.S. Government actions tend to affect the very important meeting of Gorbachev and Mr Reagan in Geneva. All these U.S. deployments and demonstrations of force in the world and the U.S. Government's reiterated purpose of continuing its terrorist policy against Nicaragua really endanger the progress attained in Geneva.

[(?Juanita Vargas) from BARRICADA] Commander, could you tells us about the arrival tomorrow of a Honduran delegation that will meet with the Nicaraguan Government?

[Ortega] We have received a very friendly invitation from the Honduran president-elect, Mr Azcona. He has also advised us that a delegation is coming tomorrow. We will welcome this delegation headed by the Honduran vice president [as heard] and formed by nine members of Azcona's party. This delegation will also visit other Central American countries. We will welcome them tormorrow. We feel this is a good opportunity to resume a dialogue between Honduras and Nicaragua -- a constructive, friendly dialogue for peace. We harbor this hope.

VICE PRESIDENT DENIES ARMS SUPPLIED TO M-19

FL062358 Mexico City NOTIMEX in Spanish 2350 GMT 5 Jan 86

[Excerpt] Guatemala City, 5 Jan (NOTIMEX) -- In reference to the accusation that the Nicaraguan Government provides arms to the M-19 group that attacked the Colombian Palace of Justice in November, Nicaraguan Vice President Serio Ramirez Mercado said here today that the Washington government frequently speaks for others.

The Washington government usually speaks in the name of some Latin American governments. The arms issue was not brought up by the Colombian Government until later.

The Nicaraguan vice president reiterated that Nicaragua has not had absolute control of the arms that could exist in Nicaraguan territory, especially the ones held by Anastasio Somoza's National Guard, whose members escaped with their equipment to several Central American countries after the triumph of the Sandinist revolution.

Ramirez Mercado affirmed that relations between his country and Colombia are normal and added that the ministries of the two countries cleared up this situation through a communique.

OPPOSITION GROUPS AGREE TO HOLD DIALOGUE

PA061604 Panama City LA PRENSA (NICARAGUA HOY supplement) in Spanish 3 Jan 86 p 4 C

[Press statement issued by Alfredo Cesar, Jose Davila, and Bayardo Lopez, members of the Executive Committee of the Nicaraguan Southern Opposition Bloc, BOS, at BOS headquarters in San Jose, Costa Rica -- date not given]

[Text] 1. Following an informal process of rapprochement among BOS and Nicaraguan Opposition Unity (UNO) leaders, it was agreed to initiate talks through two work commissions composed of three representatives from each organization. BOS, with the spirit of unity and patriotism that has always guided its political line, views with optimism this new phase of our struggle, during which we expect to secure the following achievements:

A. Integration of the unity commission mentioned in the dialogue proposal made by BOS this past August.

B. The signing of a national democratic agreement that would establish solid bases for the future Nicaraguan democracy, eliminating any possibility that the current totalitarian regime could be replaced by a dictatorship similar to the Somozist one.

In spite of the fact that the FSLN irresponsibly and systematically boycotted all the dialogue efforts aimed at securing a peaceful solution to the Nicaraguan conflict, BOS is insisting on its effort to search for a political solution to the problem of Nicaragua and believes that it would be convenient if all the Nicaraguan opposition were to try to resolve the conflict in a united way.

The BOS commission is composed of the director and deputy director of the BOS Political Committee, Carlos Hurtado and Mario Aviles; and by the director of the BOS International Relations Committee, Dr Francisco Fiallos.

The basis for this process must rest on the expectations of the Nicaraguan people, whom we will keep informed about whatever advance is made and, in order to prevent an erroneous interpretation of these advances, we will provide correct informative follow-up reports.

The first BOS Congress will take place during the second half of February. At that congress we will discuss the BOS statutes and the democratic program that will outline our idea of what the Nicaragua of the future should be.

For this purpose, the organizations that compose BOS will hold internal preparatory meetings throughout the month of January 1986.

UNION LEADER, INDUSTRIALIST ON RECENT SALARY HIKE

PA042255 Managua Radio Noticias in Spanish 1200 GMT 3 Jan 86

[Excerpts] Jose Espinosa, leader of the Confederation of Trade Union Unity, has given his views to "The Awakening" [name of newscast] on the salary increase that went into effect his month.

The important thing now is to control staple prices, said the leader of this organization, which is usually critical of the government.

Here are Espinosa's views:

[Begin Espinosa recording] Actually, placing more money in the hands of the people, or the working class, entails an added capacity to increase demand, and supply remains unchanged in Nicaragua. As a matter of fact, supply is insufficient in our country.

Logically, this guarantees that the prices of the few products available will increase. The government is supposedly trying to solve the current economic situation through a salary increase whereas, in our opinion, it should try to solve it through price controls or through mechanisms to curb or stop the inflation. In effect, we think that the solution does not lie in increased salaries but in price controls, because in many cases they are set by speculators, hoarders, and others like them. They are the ones who make prices skyrocket.

We know from experience that many of the so-called safe channels and the like have actually increased prices or given rise to new mechanisms or new forms of black markets or illegal markets. Definitely, the government creates many mechanisms, but it fails to create at the same time the means required to control the very mechanisms it creates. [end recording]

Jaime Bengochea, president of the Nicaraguan Chamber of Industries, has asserted that the salary increases must go hand-in-hand with an increase in export products in order for this measure to be beneficial to our country's economy.

[Begin Bengochea recording] An effort is being made to adjust salaries to inflation. At first glance, the measure will apparently resolve the problem, but this is actually a stopgap, temporary measure aimed at curing the effects, but not the causes, of the country's economic situation.

The economic problem will not be resolved with these measures on salaries as long as the national economy continues to produce fewer and fewer goods. [end recording]

FDN'S CALERO REPORTEDLY ANNOUNCES NEW OFFENSIVE

PA052253 Managua Radio Sandino in Spanish 1200 GMT 4 Jan 86

[Text] While the Mexicali meeting was being held yesterday, the CIA mercenaries announced a new aggression escalation aimed mainly at the highways as well as blows against the transportation system in Nicaragua in the next 4 or 6 weeks.

During an interview from Miami with the U.S. television network CNN, Adolfo Calero, leader of the so-called Nicaraguan Democratic Force [FDN], said the FDN will execute this offensive deep inside the country where, he said, 8,000 CIA mercenaries currently fight. Political observers, however, estimate that the contras in Nicaraguan territroy number less than 3,000, while 10,000 others are stationed in sanctuaries such as Honduras and Costa Rica. According to the U.S. television network, the contras have demanded assistance from the Reagan administration for their defense. This assistance would entail more surface-to-air missiles and antiaircraft batteries that would allegedly allow them to defend permanent bases in Nicaraguan territory.

It is very much worthwile mentioning that Calero's announcement in Miami has coincided with the summit meeting of the U.S. and Mexican presidents during which Reagan clearly asked for support from Miguel de la Madrid for the aggressive U.S. policy against the Nicaraguan people.

LE FIGARO INTERVIEWS CONTRAS' ARTURO CRUZ

PM271333 Paris LE FIGARO in French 20 Dec 85 p 4

[Interview with Arturo Cruz, exiled Nicaraguan oppositionist and former Nicaraguan Democratic Coordinating Board member, by Patrick Wajsman in Washington -- date not given]

[Text] Wajsman: Arturo Cruz, you are at the forefront of the anti-Sandinist struggle. Why has Sandinism disappointed you so much?

Cruz: Because people were deceived about what they were getting. There was fraud. The Sandinist had promised political pluralism, a truly mixed economy, respect for human rights, and real nonalignment in foreign policy. Unfortunately all these pious promises were systematically broken.

Wajsman: Would you go so far as to say, as some of your compatriots have, that Nicaragua under the Marxists is worse than in the time of Somoza's terrible dictatorship?

Cruz: The two tyran..ies -- that of Somoza in the past and that of the Sandinistas today -- are equally horrible. But it is true that the economic situation has never been so disastrous and that the Sandinist repression is sometimes even more cruel than the Somozist repression.

Wajsman: What about foreign policy?

Cruz: In this sphere too, as I told you, all promises have been broken. When I was a member of the Managua government, I was able to see at first hand the extent to which the Sandinists had handed the country over to the communist bloc. The Cuban ambassador had become virtually the most influential figure in Nicaraguan political life -- as influential as the U.S. representative may have been in the twenties, and that is saying something! Moreover the Cuban, East German, Bulgarian, and other "advisers" have infiltrated the Army and the state security services.

Wajsman: What you say, Arturo Cruz, is particularly enlightening since the Castroist influence in Nicaragua is constantly growing. We now even know that the Soviet helicopters supplied to Managua are piloted by Cubans....

Cruz: That is ture. Indeed for the first time the Cubans are fighting directly not in Africa (in Ethiopia and Angola) but on the Latin American continent. On the United States' doorstep.

Wajsman: When people in Europe say that the Sandinists dream of "exporting their revolution" on behalf of the Soviets and Cubans, the left-wing intellectuals immediately start to laugh. What do you think of that?

Cruz: It is absolutely true: The Sandinists are trying to destablize the whole of Central America. Moreover they say this openly in all their slogans: "If we triumph in Nicaragua, we will triumph in El Salvador, then in Costa Rica, and then Honduras will follow." They also proved this by helping the Salvadoran guerrillas to launch their great offensive in January 1981 and by housing the headquarters of these guerrillas in Managua.

Wajsman: Do you think Mexico is included in this destabilization strategy?

Cruz: Of course. It is the final "domino." It is the last victim; the one which should fall like an overripe fruit. I think the Mexican Government is wrong to show so much "understanding" toward the Nicaraguan and Cuban regimes. This is a bad investment from which the Mexicans will not only not reap any benefit but for which they may even pay a high price. But I will go even further, at the risk of surprising you: I think that if the tide of revolution is not halted in Central America there will eventually be urban guerrillas even in the southwest United States!

The Keys to Victory

Wajsman: What do you think of the idea, put forward by the French Socialists, that the Sandinists should be given economic and political aid to give them a chance of freeing themselves from the Soviet grasp?

Cruz: On this point the French Socialists and those who think like them are completely wrong. It is ridiculous to give the Nicaraguan leaders a "blank check." I would like to remind you that under Carter the United States was the Sandinist Revolution's main backer in the form of multilateral and bilateral aid. If I am not mistaken, that did not prevent these Sandinists from indulging in summary anti-Americanism and constantly repeating: "We are fighting against the Yankees, mankind's enemies.

I much prefer the stance of warning the Sandinists that they will only be given Western aid if they first democratize their regime.

Wajsman: Am I to understand that you find the French Socialists naive?

Cruz: I just think the French Government should devote most of its moral influence to persuading the Sandinists that they will not be entitled to any sympathy unless their system is liberalized, de-Cubanized, and de-Sovietized. The trouble is that the Europeans refuse to look at the origin of the Nicaraguan crisis. However, contrary to what they seem to think, it is not American interventionism that pushed the Sandinists into the arms of the USSR and Cuba; it is instead the Sandinists' harmful policy and their allegiance to the communist bloc that prompted the United States to support the "contras." Let us not confuse cause and effect!

Wajsman: Do you honestly think the "contras" could eventually win?

Cruz: I am convinced of it. They already have more men than Somoza's National Guard had! And many peasants come to swell their ranks every day. I must add that the "contras" have demonstrated their capabilities by striking at Sandinist targets throughout Nicaraguan territory. But of course Washington must be able to supply us with arms instead of merely with humanitarian aid, as is the case at present. I therefore hope that Congress will authorize the executive to supply us with these arms because for us guns are merely a tool to pave the way for a political solution. By this I mean a solution based on free and therefore monitored elections.

You see, the conclusion I draw from these years of communist tyranny is that only a democratic and centrist plan, like that of Napoleon Duarte in El Salvador, will make it possible to restore Nicaragua's taste for freedom.

Wajsman: One last question. Just suppose that, despite their courage, the "contras" do not succeed in defeating the Sandinists. Would you then agree to the United States intervening militarily in Nicaragua as it did in Grenada?

Cruz: I absolutely refuse to envisage this hypothesis and I hope it will not happen. It is up to the Nicaraguans themselves to liberate themselves. But my greatest criticism of the Sandinists is precisely that they have exposed the country to such a danger by their excesses. If there was an American military intervention one day, the Sandinists would bear full responsibility for it.

FDN CLAIMS CAPACITY TO ARM 35,000 COMBATANTS

PA021924 Panama City ACAN in Spanish 1654 GMT 2 Jan 86

[By Armando Cerrato]

[Excerpts] Tegucigalpa, 2 Jan (ACAN-EFE) -- The anti-Sandinist Nicaraguan Democratic Force [FDN] reported here today that it has the capacity to provide arms to 35,000 combatants to begin the true "liberation of Nicaragua."

The clandestine radio station "15 September," official mouthpiece of the FDN, said: "The task of liberation could possibly begin in the most populated urban areas of the Nicaraguan Pacific coast."

The FDN affirmed that it currently has 18,000 combatants in the Nicaraguan Departments of Jinotega, Zelaya, Nueva Segovia, Chontales, Madriz, Matagalpa, Rio San Juan, Esteli, Chinandega, Leon and Boaco.

The radio station said: "In the month of October 1985, the FDN presence in Rio San Juan Department completed the rebels' central military axis, which runs from north to south and covers more than 76 percent of Nicaraguan territory."

The "15 September" radio station also appealed to all "Nicaraguan brothers and members of the mass organizations to listen to the call of the fatherland and join the FDN in order to liberate Nicaragua from the Sandino-communist tyranny."

The FDN also stated that another of its most important accomplishments in 1985 was the "creation of the rebel Red Cross and of the military tribunals to judge all crimes committed by members of the commando groups that violate the human rights of civilians and military members of the anti-Sandinist forces."

REAGAN-DE LA MADRID MEXICALI MEETING REPORTED

PA060343 Havana International Service in Spanish 1600 GMT 4 Jan 86

[Text] Mexican President Miguel de la Madrid has reiterated that his country will persist without hesitation in efforts to find an overall solution to the Central American conflict that respects the legitimate interests of all the region's countries and reaffirms the principles of the peoples' self-determination, nonintervention, and the peaceful resolution of controversies. De la Madrid made these statements at a luncheon in honor of U.S. President Ronald Reagan, with whom he met for 4 hours in the border town of Mexicali. The Mexican head of state warned that a war in Central America would entail grave risks for the political and economic stability of most of the continent and high costs for inter-American relations.

De la Madrid exhorted the United States to offer its cooperation for Latin America to overcome its present economic crisis, as this would strengthen world commerce, enhance international finance, and raise employment levels. De la Madrid emphasized that Mexico was pleased at the resumption of dialogue between the United States and the Soviet Union and hopes that the continuation of these talks will lead to detente and disarmament, so that the resources allocated for armament will instead be invested in the world's economic and social progress.

Reagan, in his reply, made no reference to Central America and concentrated on praising U.S.-Mexican relations which, as De la Madrid had already stated, had positive aspects but also limitations and defects.

According to reports, the talks concentrated fundamentally on bilateral ties, especially economic ties, although the Central American situation was also dealt with.

GDR HIGHER EDUCATION MINISTER, DELEGATION VISIT

Tour Santiago

FL061358 Havana Tele-Rebelde Network in Spanish 1200 GMT 6 Jan 86

[Text] A delegation from the Ministry for University and Technical School Affairs of the GDR has visited Santiago de Cuba. The delegation was headed by Dr Hans-Joachim Boehme, university and technical school affairs minister and member of the Central Committee of the Socialist Unity Party of Germany. The visitors were accompanied by Fernando Vecino Alegret, Cuban minister of higher education. In the cradle of the revolution they were received by Carlos Sarabia, member of the party's provincial bureau, Manuel Blanco, rector of Oriente University, and other party and educational leaders.

In Santiago de Cuba the German delegation visited the Granjita Siboney Museum, the 26 July Museum, and the Prehistoric Museum and laid a floral wreath at Jose Marti's grave. This delegation was invited to Cuba to sign a protocol on cooperation between the ministries of higher education of the two countries for the period 1986-90.

Discuss Education, Computers

FL070232 Havana Television Service in Spanish 0100 GMT 7 Jan 86

[Text] Dr Hans-Joachim Boehme, Socialist Unity Party of Germany Central Committee member and university and technical school affairs minister, met this afternoon with doctoral candidate Fernando Vecino Alegret, Cuban higher education mimister. During the meeting the Cuban minister gave a brief report on the general characteristics of higher education in Cuba and the plans for future years. Vecino Alegret explained that during the last 5 years there has been an increase in workers' courses. He also referred to the importance the ministry places on research and practical application of the results as well as the introduction of computer technology.

In reference to computer technology, Vecino Alegret reported that in 1990 the ministry will have 3,000 microcomputer terminals in various educational centers in Cuba.

CUBAN-HUNGARIAN COOPERATION MEETING BEGINS

FL061922 Havana Television Service in Spanish 1800 GMT 6 Jan 86

[Text] The 14th meeting of the joint Cuban-Hungarian Intergovernmental Commission for Economic, Scientific, and Technical Cooperation has begun meeting in the Sierra Maestra Hotel of this capital. The vice presidents of the Councils of Ministers of Cuba and the Hungarian People's Republic, Jose R. Fernandez and Josef Marjai, respectively, are presiding over this round of conversations.

The coordination of bilateral plans for the present 5-year period and the determination of basic products that Cuba and Hungary will trade during the 5-year period 1986-1990 are among the principal subjects to be discussed at the meeting. In addition, the prospects for assembling Icarus buses and articulated buses in Cuba and common labor in education, radio, television, and communications, areas in which Hungary is collaborating with Cuba, will be discussed.

ABRAHANTES SPEAKS ON PNR 27TH ANNIVERSARY

FL061328 Havana Tele-Rebelde Network in Spanish 1200 GMT 6 Jan 86

[Text] The ceremony commemorating the 27th anniversary of the founding of the National Revolutionary Police [PNR] was held in the Karl Marx Theater and was presided over by Jose Ramon Machado Ventura, Politburo member, and other party, state, and mass organization leaders. In his closing speech, Division General Jose Abrahantes Fernandez, Central Committee member and minister of the interior, said the PNR must work consciously in two directions: confronting crime and social transgressions and providing services to all the people. The PNR must also have the objectives of being respected, beloved, and admired by the people and feared by criminal and antisocial elements, he said.

Abrahantes said that the philosophy of the revolution is to prevent crime, antisocial conduct, and violations of the public order. He said our position is to prevent in order not to repress, and never to repress for the sake of repressing. He also stressed the fact that the police are not alone in confronting crime and other social problems because, thanks to the revolutionary conscience of the citizenry, the cooperation of the people and the mass organizations is always assured.

'OUR AMERICA' QUESTIONS U.S. AIMS IN PUERTO RICO

PA041516 Havana International Service in Spanish 2310 GMT 1 Jan 86

["Our America" commentary]

[Text] Imagine that we have a navy and that Central Park in Manhattan is our practice target. This is how a Puerto Rican political leader described the feelings of 800 people who live on the small island of Culebra near the Puerto Rican coast. The U.S. Navy has been using a third of the island for artillery practice. As a result, grazing lands have been rendered useless and explosives have destroyed the lobster traps and fishing nets. The island residents have protested. They were imprisoned and later evicted on orders of the Navy itself. The Culebra mayor sent the following message to Wasington: You have mined and shelled out marine wealth and our fishing areas. You have attacked our birds and their nests with napalm. Human and computer mistakes have directed your missiles against our ports and our private real estate, endangering our lives. The frequency and type of U.S. Navy exercises have creaetd a situation far beyond the limits of human tolerance.

In the 1970's, the naval high command reduced the number of its exercises in Culebra, but the Navy still operates in the area. This is the result of colonialism ever since the United States seized Puerto Rico in 1898 during its war with Spain. At that time Massachussetts Senator Henry Carblood stated: The island of Puerto Rico became a U.S. Army and Navy target right from the moment the war began. In 1917, Congressman Cooper from Wisconsin pointed out: We will never give up Puerto Rico because now that we have completed the Panama Canal, Puerto Rico has become very important to the security of the canal and our nation. The canal helps turn the Gulf of Mexico into a U.S. lake.

During World War II, the United States spent millions of dollars in the construction of the huge Roosevelt Road naval base and the Ramsey airbase Puerto Rico thus became one of the most important military areas for the United States in the Western hemisphere. The role it would play was clearly defined after the triumph of the Cuban revolution in 1959. It was to stop the national liberation movements in the region. The U.S. Armed Forces tested their counterinsurgency troops in the Puerto Rican forests, mountains, and waterways, carrying out a general exercise for a possible invasion against Central American and Caribbean countries. In 1965, 25,000 U.S. soldiers concentrated in Puerto Rico were sent to the Dominican Republic to depose its popular government. More recently, Puerto Rico was forced to participate in the U.S. invasion of Grenada.

Jose Lopez, professor at Northern Illionis State University, said: A mock invasion against Cuba and Grenada occurred in 1981. We know what happened in Grenada and the U.S. plans for El Salvador and Central America at large. Puerto Rico really is a very important factor in the U.S. military plans. Thirteen percent of our tillable land is under U.S. control for military purposes. At present, there are 11 military bases in Puerto Rico, as well as some of the most sophisticated communications systems. For example, the Salinas base is a U.S. center for communications with the Caribbean.

Atomic bombs and other nuclear weapons are stored in Puerto Rico. Considering the results of the general rehearsals that have taken place on that island -- the Grenada invasion and deterioration of the Central American situation for example -- the presence of that nuclear arsenal is dangerous for peace in the region, and for the Puerto Rican people.

COMMENTARY NOTES COUP RUMORS IN EL SALVADOR

PA061951 Havana International Service in Spanish 2310 GMT 3 Jan 86

["Our America" commentary]

[Text] New rumors about a coup d'etat again circulated in El Salvador at the end of 1985, once again raising questions about the trust of the military in the Christian Democratic government of Jose Napoleon Duarte. The rumors were actually the result of friction recently apparent between the military High Command and the civilian regime, which has completed 1 and 1/2 years in power. Spurious letters were sent the latter part of December to prominent Salvadoran military leaders, exhorting them to promote a coup and create a further deterioration of the political situation in the country. Duarte himself admitted that rightist sectors within the Armed Forces are trying to overthrow his government and described the coup attempts as siren songs.

Likewise, Colonel Sigifredo Ochoa, commander of the 4th Infantry Brigade headquartered at El Paraiso, who is one of the most influential Army officers identified with the so-called hardline sectors of the institution, confirmed that he received a copy of the letter but did not attach any importance to it. Previously, Ochoa had expressed displeasure to the press about some aspects of the regime's internal policies, citing, among other things, the way the war is being conducted and its handling of the economy. It should be recalled that Ochoa rebelled some 2 years ago against the Armed Forces High Command because he disagreed with the conduct of the war against the people. He felt that air raids and shelling in the rural areas should be increased.

The Salvadoran military, which has directly or indirectly ruled the country without interruption since 1932, staged a coup in October 1979. Several months later it teamed up with the Christian Democratic Party, with support from the United States, in a process that culminated with Duarte's victory in the elections of May 1984, in which abstension was close to 50 percent. The Salvadoran Army's hegemonic stance and its violent incursion into the country's political history are clearly visible. Even though the most recent coup rumors have died down recently, analysts in the area believe that a coup is still likely.

Besides the greed for power of the Army's upper echelon, another leading factor in the crisis of the government is the FMLN's political and military activity. This guerrilla organization made important qualitative steps forward during 1985 which led it to extend the armed struggle to 12 of El Salvador's 14 departments. The Army sustained substantial casualties, and the regime's war economy went bankrupt as a result of the guerrilla actions. In addition, they have contributed to the [word indistinct] of the interests of the ruling class, the regime's international discreditation, and the stagnation of the country's leading production sectors.

Obviously, all of these elements have an impact on the distrust between the Salvadoran military and politicians and are an ingredient in the frequent struggle for power. This demonstrates the instability of the regime and the overall disintegration process it is undergoing.

BARBADOS

HUMAN RIGHTS AMENDMENT TO CARICOM TREATY URGED

FL062102 Bridgetown CANA in English 2025 GMT 4 Jan 86

[Text] Bridgetown, Barbados, Jan 4, CANA -- General Secretary of the Caribbean Conference of Churches (CCC) Rev Allan Kirton and the Executive Director of the Caribbean Association of Industry and Commerce (CAIC) Patterson Thompson have come out in support of calls for the insertion of a human rights mechanism in the near 13-year-old Caribbean Community (Caricom) treaty.

The two officials of Barbados-based organisations representing the region's church and business communities, commented separately on last week's disclosure by Barbados Prime Minister Bernard St John that his government would push ahead with initiatives for a treaty committing Caricom's 13 governments to upholding fundamental human rights.

The revival of interest in such a treaty -- originally raised at the fourth Caricom summit at Ocho Rios, Jamaica in 1982 -- follows mounting controversy over the conduct of Guyana's December 9 general elections. Opposition groups and major churches allege the poll was rigged. The government denies the charge.

Rev Kirton said that the CCC stood ready to give whatever support necessary to Barbados or any other Caricom government for the creation of a human rights treaty. We are interested in a treaty or protocol that has teeth, one strong enough to make it difficult, for instance, for any member government of Caricom to deny its people the fundamental right to freely chose their government. Kirton said the CCC itself was currently considering proposals to internationalise the struggle for human rights in Guyana.

We are more interested in Barbados call for a human rights treaty than current initiatives for the relocation of the (Guyana-based) Caricom secretariat. We appreciate the calls for the removal of the secretariat headquarters from Georgetown, but this will not guarantee free and fair elections in Guyana under the present government. A meaningful treaty can be effective in this regard...Kirton said.

CAIC's Thompson, a Guyanese, said that he was encouraged by Prime Minister St John's intention to press ahead with initiatives to write a human rights protocol into the 1973 treaty of Chaguaramas. I personally think this is most urgently needed to avoid the kind of abuses we are learning about in the case of Guyana.

Thompson feels that the treaty must be so formulated that it cannot easily be ignored by any of the member states of Caricom.

He recalled that at a recent conference in Barbados on private-public sector cooperation and democracy in the Caribbean, he had called for a group of institutions to enhance the democratic process in the Caribbean Community.

As he sees it, these should include a Caribbean court of appeal, a Caribbean human rights treaty that would include provisions to ensure free and fair elections, and a Caribbean parliament.

GRENADA

MORE ARRESTS MADE FOR ILLEGAL MILITARY TRAINING

FL062216 Bridgetown CANA in English 2101 GMT 6 Jan 86

[Text] St Georges, Grenada, Jan 6, CANA -- Grenada police said today they had arrested three more men for questioning in connection with the discovery of an unlawful military training programme. The arrests were made yesterday and no charges had yet been laid.

Six men were arrested and brought before a magistrate on December 24 charged with being engaged in military exercises and training in the rural parish of St Andrews. They are scheduled to return to court on January 9.

TRINIDAD AND TOBAGO

SUGAR WORKERS REFUSE TO WORK; DISPUTE RESOLVED

FL070040 Bridgetown CANA in English 2346 GMT 6 Jan 86

[Text] Port-of-Spain, Trinidad, Jan 6, CANA -- Trinidad and Tobago's sugar workers refused to work today -- first day of the harvest -- but later agreed to operate at the largest mill, Brechin Castle factory.

Officials of the All Trinidad Sugar and General Workers Trade Union (Atsgwtu) said 700 workers refused to work in protest over a new shift roster agreed on by their union and state-run Caroni Ltd, which refines virtually all the country's sugar.

Caroni Ltd has appealed a 25-per cent wage increase awarded by the industrial court January 25 last year.

A Caroni official said about 250 workers were protesting not being informed about the negotiations.

Officials of the company and union met two judges from the industrial court today on a wide range of matters relating to the industry, which employs 10,000 persons, and work was reported to have resumed.

Caroni sources said work had begun in all other sectors of the industry.

The company is aiming to produce 91,000 tonnes of sugar this year, mainly for the domestic market, after achieving its highest record in four years of 80,900 tonnes in 1985.

Meanwhile, Caroni Ltd is expected to publicly discuss a new restructuring plan which would include the 1986-1988 development programme next week.

ANDRE KOORNAAR APPOINTED LABOR MINISTER

FL062212 Bridgetown CANA in English 2048 GMT 6 Jan 86

[Text] Paramaribo, Jan 6, CANA -- Suriname's military leadership has appointed Andre Koornaar as labour minister to replace Edmund Dankerlui, who resigned last month after pulling a gun on workers who visited his office, officials said today. Koornaar, who is a leader of the Progressive Workers Organisation (WPO), the smallest of Suriname's three trade union movements, would be sworn in tomorrow, they added.

TRADE AGREEMENT SIGNED WITH CZECHOSLOVAKIA

FL062142 Bridgetown CANA in English 1931 GMT 5 Jan 86

[Text] Paramaribo, Jan 5, CANA -- Suriname and Czechoslovakia have signed a counter-trade agreement. Prime Minister Win Udenhout and Acting Energy and Natural Resources Minister Cyril Ramkisoor recently signed the pact for Suriname. The Czechoslovak representative at the signing ceremony was Dr Zdenek Cerny.

Under the terms of the agreement, Suriname will supply Czechoslovakia with a fixed amount of bauxite, alumina, and aluminium at world prices. Czechoslovakia will pay for 30 percent of these with Czech goods, while the remaining 70 percent will be repaid in the form of a letter of credit.

The agreement also provides for the sale by Suriname of bauxite and bauxite-related products to the European country. The two sides also signed a letter of intent attached to the agreement indicating the goods which Suriname will receive from Czechoslovakia.

The letter also expresses the readiness of the two countries to look into the possibilities for closer cooperation. These include areas such as the exploitation of bauxite, forestry, the setting up of a sugar factory and brewery, a tannery, and a shrimp farm as well as the processing of gold.

FIRST ORDER MADE AGAINST $10-MILLION TAIWAN LOAN

FL062126 Bridgetown CANA in English 1706 GMT 5 Jan 86

[Text] Paramaribo, Jan 5, CANA -- Suriname recently made its first order of goods under a 10 million U.S. dollar credit arrangement with Taiwan, according to Prime Minister Win Udenhout. He told reporters that 40 percent of the credit line offered by Taiwan will be used for the purchase of capital goods, with another 40 percent going towards purchase of raw materials for industries. Twenty percent of the credit will be used on consumer goods, Udenhout said. The credit line agreement was concluded last April.